

**In the
Supreme Court of the United States**

OCTOBER TERM, 1944

No......

SKINNER MANUFACTURING COMPANY,
a Nebraska Corporation,

Petitioner,

vs.

KELLOGG SALES COMPANY,
a Michigan Corporation,

Respondent.

**BRIEF IN SUPPORT OF PETITION
FOR CERTIORARI**

REPORTS OF OPINIONS IN COURTS BELOW

The opinion of the District Court of Nebraska from which appeal was taken to the United States Circuit Court of Appeals is found in 52 Federal Supplement at pages 432 to 452, inclusive.

The opinion of the United States Circuit Court of Appeals for the Eighth Circuit, on account of which this Writ of Certiorari is sought, is not yet published in an official report, but is found on pages 3 to 11 of Vol. VII of the Transcript of Record.

JURISDICTION

The jurisdiction of this Court is predicated upon Section 240 (a) of the Judicial Code as amended (A. 14). The jurisdiction of the District Court and United States Circuit Court of Appeals were predicated upon Section 17 of the 1905 Trade-Mark Act (A. 20) and Section 6 of the 1920 Trade-Mark Act (A. 21).

STATEMENT OF CASE

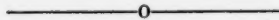
A concise statement of the case with references to the record is found on pages 2 to 16 of the Petition for Writ of Certiorari to which this Brief is appended, and by reference is hereby incorporated in this Brief.

SPECIFICATION OF ERRORS INTENDED TO BE URGED

The specifications of errors intended to be urged are found under "Questions Presented" on pages 17 to 20 in Petition for Writ of Certiorari to which this Brief is appended, and by reference are hereby incorporated in this Brief.

APPLICABLE DECISIONS, STATE OR FEDERAL

As stated in Note 1 of the Opinion of the Eighth Circuit Court of Appeals (T. Vol. VII, p. 5), "It is not contended that the applicable local law differs substantially from the general law, and the parties rely upon Federal precedents." The Lower Court discussed this matter thoroughly in 52 F. S. 432 at pages 439-441, and after reviewing the Nebraska decisions, said: "It is, therefore, considered that there is no disparity between the pertinent substantive law, if any, as administered in the State Courts of Nebraska, and that which is to be gleaned from the American decisions generally, and particularly from the Federal Court decisions." Neither of the parties took any exception to the Trial Court's conclusions in this matter.

**FOREWORD**

The issues raised by the pleadings, evidence and Opinions of the Lower Courts in this case are many and important. There were many decisions cited by the Lower Courts in their Opinions and by the parties in their Briefs. A first glance at these various decisions would lead one to believe that there is a great conflict of authorities on the questions raised in this case. A careful study and analysis of the cases has been made by counsel for the Petitioner and this analysis shows that if the controlling facts of the various cases are understood, and the reasons for the rules announced in the various cases, as applied to the facts in such cases, are comprehended, there are few real conflicts in the de-

cisions. But this analysis also shows that it is unsafe to quote extracts from an opinion in a case covering the issues raised in this proceeding, without being certain that the Court which wrote the opinion from which such extract was taken had in mind a set of facts substantially identical to the facts in the case under review.

The very thoroughness with which this case was tried in the Lower Courts and the great number of defenses and arguments interposed by the Respondent, together with the large number of Findings of Facts and Conclusions of Law and the extensive Opinion written by the Trial Court, make it necessary to prepare a Brief which will be voluminous when compared to a Brief which covers only a few issues. The Petitioner's counsel have endeavored to make their arguments as brief as possible, but have felt it necessary in the interest of justice to their client, to cover every issue upon which the Trial Court predicated its adverse decision. The Petitioner, however, has endeavored to cover these points as briefly as possible, but has not sacrificed clarity to brevity.

As will be seen from the pleadings, this case is of overwhelming importance to the Petitioner, and for that reason Petitioner's counsel have exerted their best efforts to prepare a Brief which will give this Court a comprehensive and accurate statement of the facts and law applicable to a proper decision of this case.

ARGUMENT

1. Federal Rule of Civil Procedure No. 52 did not change the old right of an appellant in an equity case to have the findings of fact reviewed in the Appellate Court.

In its discussion of secondary meaning, the Court of Appeals said: "Under the evidence, the issue was one of fact to be tried and determined by the Trial Court, and its determination is binding upon this Court. *Cleo Syrup Corporation v. Coca-Cola Co.*, 8 Cir., 139 F. 2d 416, 417-418 and cases cited" (T. Vol. VII, p. 9).

The Court of Appeals also said:

"Under the evidence, the questions whether the appellees had furnished adequate means to identify their products and to distinguish them from appellant's product, and whether the similarities which existed between the packages used by appellees and the package used by appellant have caused or are likely to cause deception and confusion in the trade, were, we think, questions of fact for the Trial Court to determine. *Cleo Syrup Corporation v. Coca-Cola Co.*, 8 Cir., supra" (T. Vol. VII, p. 10).

In the opinion of the Eighth Circuit Court in the case of *Cleo Syrup Corporation v. Coca-Cola Co.*, supra, the Court said:

"This court, upon review, will not retry issues of fact or substitute its judgment with respect to such issues for that of the trial court. * * * The power of the trial court to decide doubtful issues of fact is not limited to deciding them correctly."

It thus appears that the Eighth Circuit Court of Appeals considered that the rights of appellant to a review of findings of fact of the Trial Court in an appeal in an

equity case, were abridged and modified by that sentence of Federal Rule of Civil Procedure No. 52 which reads: "Findings of fact shall not be set aside unless clearly erroneous, and due regard should be given to the opportunity of the Trial Court to judge of the credibility of witnesses" (A. 15). It is submitted that the failure of the Eighth Circuit Court of Appeals to review the Trial Court's Findings of Fact on the questions of secondary meaning, confusion, palming off, and likelihood of confusion and palming off, was prejudicial error.

This Court has not passed definitely on the particular question involved, but the following indicates that it does not incline to the position taken by the Eighth Circuit Court of Appeals: "This general rule (Federal Rule of Civil Procedure No. 52), even if it were thought to modify the previous rule as to review of findings of fact in equity cases, would hardly supersede a special statutory measure of review applicable to a special and local tribunal. We conclude, therefore, that the Court of Appeals has power to review decisions of the Board of Tax Appeals as under the equity practice in which the whole case, both facts and law, are open for consideration in the Appellate Court * * *." *District of Columbia v. Pace*, U. S., 88 L. Ed. Adv. Sh. 6, p. 319, 321.

On this same question, the Advisory Committee on Rules, in its note on this section, said: "* * * The rule stated in the third sentence of subdivision A (Rule 52) accords with the decisions on the scope of review in modern federal equity practice." Tit. 28, U. S. C. A., foll. Sec. 723 (c), p. 677, 678. Prior to the adoption of the new Federal Rules of Civil Procedure, it was well established that an appellant in equity had the right to have

the Appellate Court review the facts as well as the law. "An appeal in equity imports a broad power of revision." *Radio Corporation of America v. Radio Engineering Laboratories*, 293 U. S. 1, 9; "By the ordinary practice in equity as administered in England and this country, an Appellate Court has the power on appeal * * * to examine the merits of the case if sufficiently shown by the pleadings and the record * * *," *North Carolina Railroad Co. v. C. D. Storey, Sheriff*, 268 U. S. 288, 292; *Unkle v. Wiles*, 8th C. C. A., 281 F. 29; *Klaber v. Lakenan*, 64 F. 2d 86.

The right to have the Appellate Court try the case de novo and review the law and the facts of the case, is a substantive right, not a mere matter of procedure. The Statute which gave the Supreme Court authority to promulgate the Federal Rules of Civil Procedure says in part: "Said rules shall neither abridge, enlarge nor modify the substantive rights of any litigant." c. 651, Sec. 1, 48 Stat. 1064 (A. 17). That portion of the Statute which provides that there shall be but one form of civil action reads: "The court may at any time unite the general rules prescribed by it for cases in equity with those in actions at law, so as to secure one form of civil action and procedure for both. * * *" c. 651, Sec. 2, 48 Stat. 1064 (A. 17). This, however, does not indicate that substantive rights of parties engaged in suits of an equitable nature were to be abrogated, but merely that the form of action and the procedure in a case of an equitable nature was to be modified so that the form of action and procedure should be the same as in a suit at law.

Federal Rule of Civil Procedure No. 1 reads: "These rules govern the procedure * * *. They shall be con-

strued to secure the just determination of every action" (A. 16). It is submitted that this makes it clear that the rules were not intended to change the scope of review on appeal of a case of an equitable nature so that the findings of fact of the trial court should not be subject to review.

Conflict in Decision of Circuit Court of Appeals.

The decision of the Eighth Circuit Court of Appeals on this point, as set forth in the opinion in this case and in *Cleo Syrup Corporation v. Coca Cola Company*, 8th C. C. A., 138 F. 2d 416, is contrary to the decisions in other Circuits in the following cases: *Jarvis, Postmaster, v. Shackleton Inhaler Co.*, 6th C. C. A., 136 F. 2d 116, 117; *Pfeifer Oil Transportation Company, Inc. v. The Ira S. Bushey et al*, C. C. A., 129 F. (2d) 607; *Kuhn v. Princess Lida of Thurn and Taxis*, 3rd C. C. A., 119 F. (2d) 704; *Texas Agricultural Association of Edinburg et al v. Hidalgo Co. Water Control Improvement District et al*, 5th C. C. A., 125 F. 2d 829; *Equitable Life Assurance Society of the United States v. Irelan*, 9th C. C. A., 123 F. (2d) 462.

In the opinion in the case at bar, the Eighth Circuit Court of Appeals said that the question "whether the similarities which exist between the packages used by the appellees and the packages used by appellant have caused or are likely to cause deception and confusion in the trade, is, we think, a question of fact for the trial court to determine" (T. Vol. VII, p. 10). This holding is contrary to the following holding on the same question:

"He" (the Trial Judge) "did find such "similarity in sound and appearance * * * as to make con-

fusion of the two probable.' Apparently that finding was not based on the testimony as to confusion; if we assume that it was then we must hold that finding 'clearly erroneous.' If it was not based on that testimony but solely on the names themselves, we are in as good a position as the trial judge to determine the probability of confusion."

Eastern Wine Corporation v. Winslow-Warren, Ltd., Inc., 2nd C. C. A., 137 F. 2d 955, 959-960.

2. At the time of its adoption by Petitioner as a trade-mark for its breakfast food, the term "Raisin-Bran," standing alone, was not the primary generic name for any particular product.

The Circuit Court of Appeals in its Opinion treated the term "Raisin Bran" as "the primary generic name for the Petitioner's breakfast food product at the time of its adoption by the petitioner (T. Vol. VII, p. 7). This is not in accord with the evidence or with the findings of the Trial Court. The evidence shows that there is no such thing as the bran of a raisin (A. 12l). The evidence also shows that prior to its adoption by the Petitioner in 1925, the term "Raisin Bran", standing alone, had not been applied to any food product (A. 12j; F. 6, T. 143), and there was no evidence of such employment on any food product prior to 1925 (par. 1, T. 181); and there was positive testimony to the effect that it had not been employed on any product prior to 1925 (A. 12k). And the Trial Court found, "There is no such product or thing as the bran of a raisin. Nor is there any product or thing which may ordinarily and logically be characterized as 'a raisin bran' " (F. 8, T. 144).

In spite of the above evidence and findings, the Trial Court failed to distinguish the difference between the

terms "Shredded Wheat," "Corn Flakes," and "Oatmeal" and the term "Raisin-BRAN." There is, however, a marked distinction between these terms. "Shredded Wheat" is a wheat which has been shredded; the genus is "wheat," the species is indicated by the word "shredded." "Corn Flakes" are either corn which has been flaked, or flakes made of corn; "Oatmeal" is either oats which have been mealed or meal made of oats; and the respective genus is either "corn" or "oats" with the words "flakes" and "meal" respectively used to indicate the species of the genus, or the words "flakes" or "meal" respectively represent the genus with the words "corn" and "oats" used to represent the species. "Raisin-BRAN," however, does not signify bran which has been raisined, or raisins which have been branned, nor does it signify the bran of a raisin or the raisin of a bran. The term is merely a combination of two generic words which, when combined, do not constitute a single generic term, or a term which designates the species of a genus.

The Circuit Court of Appeals endeavored to support its statement that the term "Raisin-BRAN" was the "primary generic" name of Petitioner's product, by saying "without raisins the product would appropriately have been called 'bran flakes' or 'bran.' With raisins it was 'raisin bran' in the same sense that pie containing raisins is 'raisin pie,' that bread containing raisins is 'raisin bread,' and that muffins containing raisins are 'raisin muffins' " (T. Vol. VII, p. 7). In making this statement, the Court overlooks the fact that the evidence shows that raisin pie, raisin bread and raisin muffins were bakery products and that the respective terms were in common use for many years, the words "pie," "bread,"

and "muffins" being the genus and the word "raisin" being well understood to indicate the species of the genus.

As pointed out above, the evidence shows that prior to the introduction of Petitioner's product on the market, there was no product commonly known as "Raisin Bran," and the Trial Court so found (F. 8, T. 144). The term "Raisin Bran," standing alone, cannot accurately be said to designate a genus or the species of a genus. It is merely a compound of two words, each by itself generic, but in combination, the term was not, at the time of its adoption by the Petitioner as a trade-mark for its product, the primary generic name for the product to which it was applied; and immediately prior to its adoption and use by the Petitioner, if any member of the consuming public had been asked "What is Raisin Bran?", he would have been compelled to answer that he did not know, or, if he attempted to answer, his answer would have been a mere guess and it cannot be assumed that he would have understood instantly that it designated a breakfast food product identical or similar to the product which the Petitioner was then about to put upon the market.

3. This case is governed by the rules laid down in the "Coca Cola Case" and not by the decision in the "Shredded Wheat Case."

The Trial Court's Opinion (52 F. S. 432-452) which the Appellate Court follows with approval (T. Vol. VII, pp. 4-11), and the Trial Court's Findings of Fact (T. 142-170), show that said Findings of Fact are predicated chiefly upon the Trial Court's Conclusions of Law that the principles announced in the case of *Kellogg Co. v. Na-*

tional Biscuit Co., 305 U. S. 111, commonly known as the "Shredded Wheat Case" govern a determination of this case, and that the principles announced in the case of *Coca Cola Co. v. Koke Co.*, 254 U. S. 143 (which we shall hereinafter refer to as the "Coca Cola Case") are not applicable to the case at bar (52 F. S. 432, 449).

In the opinion in the "Shredded Wheat Case," the facts which governed the decision were not clearly set out, but reference is made to the case of *Natural Food Co. v. Williams*, 30 App. D. C. 348. An examination of the Natural Food Company case, and of an article by Derenberg found in 16 N. Y. U. L. Q. R., at page 366, shows the facts in the "Shredded Wheat Case" to be as follows:

The predecessor in interest of National Biscuit Company commenced manufacturing the product "Shredded Wheat" in 1893. In 1895 a patent was taken out on the process of manufacturing the product. This patent expired in 1912. From 1893 to 1905, no claim was made that "Shredded Wheat" was the trade-mark of the product, and until 1914, the distributor used a picture of the Goddess Ceres, with a torch in one hand and a sheaf of wheat in the other, for its trade-mark. In 1905, the Natural Food Company filed application to register the term "Shredded Wheat" under the ten-year clause of the 1905 Trade-Mark Act, but this registration was denied on appeal by the Circuit Court of Appeals of the District of Columbia on the grounds that (1) the claimant had not used the term "Shredded Wheat" as a trade-mark, (2) the opposer, Williams, had been marketing a competing product under the name "Shredded Wheat," and (3) other inventors of machinery for manufacturing a similar product had stated in their patents that the purpose of

their machinery was to shred wheat. In 1914 the National Biscuit Company placed upon the package of its product as its trade-mark a picture of Niagara Falls, and the words "Shredded Wheat," standing alone, were not used as a trade-mark. In 1920 the National Biscuit Company registered the term "Shredded Wheat" as its trade-mark under the 1920 Trade-Mark Act; but the evidence showed that from 1912 on, the Kellogg Company in competition with the National Biscuit Company had from time to time manufactured and marketed a similar product.

On this record, the Supreme Court of the United States, in 305 U. S. 111, held that: (1) Since the term "Shredded Wheat" was applied to a patented product, the name passed to the public with the expiration of the patent, and (2) "For many years there was no attempt to use the term 'Shredded Wheat' as a trade-mark, * * *. It is contended that the plaintiff has the exclusive right to the name 'Shredded Wheat,' because these words acquired the secondary meaning of 'Shredded Wheat' made at Niagara Falls by plaintiff's predecessor. There is no basis here for applying the doctrine of secondary meaning."

It is apparent from the foregoing that the National Biscuit Company was attempting to recapture a name which had already been dedicated to the public, was in the public domain, and which it had taken no effective means to establish as a trade-mark. It is with this state of facts in mind that the Court held, "To establish a trade-name in the term 'Shredded Wheat,' the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term in the minds of the consuming public is not

the product but the producer." *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, 118.

The Canadian² and English³ "Shredded Wheat" decisions are predicated upon the same rule of law; and an examination of the opinions in those cases shows that they are predicated upon the same state of facts as the American "Shredded Wheat Case" except that instead of the use of the Goddess Ceres as a trade-mark in Canada and England, the Canadian Shredded Wheat Company used first a picture of a bowl with the product and a spoon in the bowl for its trade-mark, and later a picture of Niagara Falls; and on the packages the companies emphasized that the purchaser should purchase the "Original Shredded Wheat" manufactured by the particular companies involved.

The Appellate Court in its Opinion, and the Trial Court in its decision, treated the terms "Shredded Wheat" and "Corn Flakes" as though they were identical in character and structure to Petitioner's trade-mark "Raisin-BRAN." The dissimilarity between these terms has been discussed on pages 34 and 35 *supra*.

In the case at bar, the Trial Court held that the term "Raisin-BRAN" could not acquire a secondary meaning because it contained two words descriptive of contents of the product, and that the Petitioner had failed in its proof of a secondary meaning because it had failed to show "that the primary significance of the term in the minds of the consuming public is not the product but the pro-

² *Canadian Shredded Wheat Co., Ltd. vs. Kellogg Co. of Canada, Ltd.*, 55 R. P. C. 125.

³ *In the Matter of The Shredded Wheat Company's Trade-Mark "Shredded Wheat."* 55 R. P. C. 271, 278, affirmed by the House of Lords, 57 R. P. C. 137, 147.

ducer." These findings were chiefly predicated upon the case of *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111.

The term "Coca Cola" in its origin and at the time of its adoption, had characteristics identical to those of "Raisin-BRAN," in that the term when first adopted was composed of two generic words descriptive of two of the constituents of the product to which the term was applied, but the combined words did not, at the time of the adoption of the term, constitute a generic name, nor were they, in combination, the designation of a species of a genus; and standing alone, prior to their application to the claimant's now well-known drink, they might have been applied to a bakery product or anything, and a member of the consuming public, if he had been asked "What is Coca-Cola?" would have been compelled to answer that he did not know. The term "Coca-Cola" was applied to a product which was not patented and was used by the claimant as the trade-mark for its product, no other trade-mark being used. In spite of these and other similarities between the "Raisin-BRAN" case and the "Coca-Cola" case, the Trial Court held that the rules announced in the Coca-Cola Case did not apply to the case at bar (52 F. S. 449). It is submitted that this was error.

The evidence in this case shows that for seventeen years the Petitioner had the exclusive use of its trade-mark "Raisin-BRAN" for a breakfast food product (T. 220), the product was not protected by a patent (T. 221), and the Petitioner had made the term valuable by its large advertising expenditures and its business acumen (T. 296, 808) (F. 19, T. 152-153); and the product being unpatented, there was nothing during the seventeen years when Petitioner had the exclusive use of the mark to

prevent the Respondent or any other competitor from coming into the market prior to the time that the Petitioner had established the term "Raisin-BRAN" as a valuable trade-mark.

In the Coca Cola case, Justice Holmes held that a secondary meaning had been established and stated the rule as follows: "The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words, Coca Cola probably means to most persons the plaintiff's familiar product, to be had everywhere, rather than a compound of particular substances. We see no reason to doubt that as we have said it has acquired a secondary meaning in which perhaps the product is more emphasized than the producer, but to which the producer is entitled." *Coca Cola Co. v. Koke Co.*, 254 U. S. 143.

The Petitioner submits that it is the foregoing rule which should govern the decision in this case and upon which the Findings of Fact should be predicated; but the Trial Court held that the case was inapplicable because "Coca Cola" was registered under both the Trade-Mark Act of 1881 and under the ten-year clause of the 1905 Trade-Mark Act; whereas, the term "Raisin-BRAN" was only registered under the 1920 Trade-Mark Act; and the Trial Court cited *Thaddeus Davids Co. v. Davids Mfg. Co.*, 233 U. S. 461, as authority for its conclusion (52 F. S. 449).

The fact that "Coca Cola" was registered under the Trade-Mark Act of 1881 is of no significance. Subsequent to its registration under that Act, the term was registered under the ten-year proviso of the 1905 Act. This latest registration was undoubtedly the result of the decision of the Supreme Court in the case of *Elgin National Watch Co. v. Illinois National Watch Co.*, 179 U. S. 665, in which the Court held that the Trade-Mark Act of March 3, 1881, did not permit the registration of marks which contained descriptive, generic or geographical words, and that such a registration was not of sufficient force or effect to give the Federal Courts jurisdiction with respect to the registration of marks which were descriptive. The Thaddeus Davids case was decided in 1913, which was prior to the passage of the 1920 Trade-Mark Act, and in the case of *Nashville Syrup Co. v. Coca Cola Co.*, 6th C. C. A., 215 F. 527, 529, it was stated: "We do not regard the decision in the Davids case as holding that the statute directly operates to grant a monopoly to one who rightfully registers under the ten-year clause (of the 1905 Act) a descriptive word."

"Raisin-BRAN" could not be registered under the ten-year clause of the 1905 Act (A. 18) because it was not in use for ten years prior to 1905, and for that reason it was registered under the 1920 Act. The only difference between the character of the terms "Coca Cola" and "Raisin-BRAN" lay in the fact that "Coca Cola" was in use for ten years or more prior to 1905, whereas the term "Raisin-BRAN" was not. The only difference in the rights of a trade-mark registered under the ten-year clause of the 1905 Trade-Mark Act and the rights of a similar mark registered under the 1920 Trade-Mark Act

lies in the fact that the registration under Section 16 of the 1905 Act is stated to be prima facie evidence of a secondary meaning (A. 19) whereas, registration under the 1920 Trade-Mark Act carries no such presumption. (Section 16 of the 1905 Act is not applicable to the 1920 Act Sec. A. 21.) When the secondary meaning of a term registered under the ten-year clause of the 1905 Trade-Mark Act is challenged, the claimant is required to prove a secondary meaning. There is nothing to indicate that the rules of proof in such a case are different from those required to establish a secondary meaning in a trade-mark registered under the 1920 Trade-Mark Act.

The Seventh Circuit Court of Appeals and the Supreme Court of the United States applied the principles laid down in the "Coca Cola Case" with respect to the ability of a term to acquire a secondary meaning, to terms which were registered under the 1920 Trade-Mark Act, and drew no such distinction as the Trial Court attempted in this case. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 95 F. 2d 448, 305 U. S. 315. In the Eighth Circuit Court of Appeals, the "Coca Cola Case" has been cited with approval in a case which involved the acquisition of a secondary meaning by a mark registered under the 1920 Act. *F. W. Fitch Co. v. Camille, Inc.*, 106 F. 2d 635; and even in a case in which a trade-name sought to be protected was not registered under any trade-mark act, the Eighth Circuit Court of Appeals has cited with approval the case of *Coca Cola Co. v. Koke Co.*, 254 U. S. 143, with respect to the establishment of a secondary meaning, without noting any distinction because of the registration of "Coca Cola" under the ten-year clause of

the 1905 Act. *Beneficial Industrial Loan Corp v. Kline*, 132 F. 2d 520.

In the Circuit Court of Appeals, it was argued by the Respondent that the foregoing quotation from the case of *Coca Cola Co. v. Koke Co.*, supra, was mere dicta, and that the question of secondary meaning was not under consideration when that case was argued and determined. This objection is not well taken. From the notes on the "Coca Cola Case" found in 65 L. Ed. at pages 190 and 191, it appears that the claimant in the case asserted that "The name 'Coca Cola' is a valid trade-mark, acquired by priority of adoption * * * which by association and extensive use in fact identifies the product of petitioner exclusively"; and the Respondent made the contention that, "The words 'Cocoa Cola' are not a valid trade-mark * * * as to the character of proof required to establish a secondary meaning of descriptive words, * * *."

In the Circuit Court of Appeals, the Respondent also argued that the case of *Coca Cola Co. v. Koke Co.*, supra, was overruled by the decision in the case of *Kellogg Co. v. National Biscuit Co.*, supra. There is nothing in the opinion of the Court in the latter case to indicate that it was its intention to modify or overrule its opinion in the case of *Coca Cola Co. v. Koke Co.*, supra; and since the decision in the "Shredded Wheat Case," the "Coca Cola Case" has been quoted and cited with approval by the Eighth Circuit Court of Appeals in *F. W. Fitch Co. v. Camille, Inc.*, 106 F. 2d 635; *Beneficial Industrial Loan Corp. v. Kline*, 132 F. 2d 520; and *Cleo Syrup Corp. v. Coca Cola Co.*, 139 F. 2d 416; and the "Coca Cola Case"

has also been cited with approval by the Fourth Circuit Court of Appeals in *Dixie Cola Lab. v. Coca Cola Co.*, 4th C. C. A., 117 F. 2d 352, 354.

4. The term "Raisin Bran" was capable of acquiring a secondary meaning.

In the case at bar, the Petitioner is not claiming the term "Raisin Bran" as a technical trade-mark, but predicates its rights upon the establishment of a secondary meaning (T. 4).

The evidence showed that the term "Raisin-BRAN," standing alone, was not in common use, had no precise meaning to the consuming public and had not been used by others to designate breakfast food products prior to the time that Petitioner adopted and claimed it as a trade-mark for its product (see pages 8 and 34, *supra*).

The evidence also showed (T. 286-287, Ex. 209 A-B, Court Envelope; T. 341-342; T. 269), and both the Trial Court and the Court of Appeals found that other appropriate names were available by which competitors might aptly designate their competing products (52 F. S. 452; T.).

The right to appropriate the term "Raisin Bran" for a trade name must be determined as of the time of its first appropriation. *Wellcome v. Thompson & Capper*, 1 L. R. Chan. Div. (1904) 736, 742, 749, 750, 754; *Keasby v. Chemical Works*, 142 N. Y. 467, 471, 474, 475, 476, 37 N. E. 476.

The findings of the Trial and of the Appellate Court that the term "Raisin Bran" was incapable of acquiring a secondary meaning (F. 28, T. 155, T. VII, pp. 8-9, 52 F.

S. pp. 445-448) were predicated upon the following cases: *Canal Co. v. Clark*, 13 Wall. 311; *Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U. S. 446; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118; *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U. S. 526; *Elgin National Watch Co. v. Illinois Watch Co.*, 179 U. S. 665; *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, and *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315 (T. VII, pp. 8, 9, 10; 52 F. S. 432). The Trial Court also cited, at this point, Sec. 721, Vol. 3, Restatement of the Law of Torts.

These cases are not in point with the case at bar on the question now under discussion. In the case of *Canal Co. v. Clark*, supra, the Court held that a geographical term could not be appropriated as a trade-mark. The Supreme Court in that case was referring to a technical trade-mark; the case was decided in 1871, which was a year before the doctrine of secondary meaning was first applied by the British House of Lords to a geographical name,⁴ and fifteen years before the Courts of Equity recognized that a term composed of descriptive or generic words might acquire a secondary meaning.⁵

Section 721, Vol. 3, Restatement of the Law of Torts, says that "a designation cannot be a trade-mark for goods if it is likely to be regarded by prospective purchasers as a common name or generic name for such goods, or as descriptive of them or of their ingredients, quality, properties, functions or uses." In this text the word "trade-mark" is used to indicate a technical trade-mark as op-

4 *Wotherspoon v. Currie*, 5 L. R. Eng. & Irl. App. 508 (1872); *Derenberg*, Trade-Mark Protection, p. 553.

5 *Reddaway v. Banham*, 13 R. P. C. 218 (1896).

posed to terms which contain descriptive or generic words.⁶ In Sec. 716, Restatement of the Law of Torts it is specifically stated that a trade term such as "Raisin-BRAN" may acquire a secondary meaning, as do numerous cases which are in point with the case at bar.⁷

In the case of *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, supra, no secondary meaning was shown, and the question was whether "Rubberoid" could be considered a technical trade-mark. The case of *Howe Scale Co. vs. Wyckoff, Seamans & Benedict*, supra was decided in 1904 and related to the use of a family surname.

In the case of *W. R. Warner & Co. v. Eli Lilly & Co.*, supra, the Respondents were not using the exact term claimed by the Petitioner; in the case at bar Petitioner seeks to enjoin the use of substantially the exact term, not the use of "Raisin" or the use of "Bran" in some other collocation (T. 4).

6 Substantial confusion often arises in analyzing trade-mark and trade name cases by reason of the fact that some of the Courts have not used distinctive designations for technical trade-marks and marks which have acquired a secondary meaning through long and exclusive use. This confusion is emphasized by the use of the word "trade-mark" in the Federal Trade-Mark Act to designate both technical trade-marks and marks which are registered under the ten-year clause of the 1905 Act. The compilers of Restatement of the Law of Torts have distinguished between the technical trade-mark and the mark which has acquired a secondary meaning by designating the first class as trade-marks and the other class as trade names. "When a trade name denominates goods and is affixed to them, there is a practical matter, little legal difference between it and a trade-mark. Such a trade name is frequently called a trade-mark * * *." Vol. 3, Restatement, Law of Torts, p. 560.

7 *Coca Cola Co. v. Koke Co.*, 254 U. S. 143, 41 S. Ct. 113, 65 L. Ed., 189; *Nashville Syrup Co. v. Coca Cola Co.*, 215 F. 627; *Rawlinson v. Brainard & Armstrong Co.*, 28 Misc. Rep. 287, 59 N. Y. S. 880; *R. B. Davis Co. v. Sher*, 125 N. Y. Eq. 316, 5 A. 2d 49; *R. Guastavino Co. v. Comerma*, 180 F. 920, 184 F. 549; *Feil v. American Serum Co.*, 8th C. C. A., 16 F. 2d 88; *Shaler Co. v. Rite-Way Products, Inc.*, 107 F. 2d 82; *Industrial Rayon Corp. v. Dutchess Underwear Corp.*, 92 F. 2d 33; *Barton v. Rex Oil Co.*, 29 F. 2d 474; *Fitch Co. v. Camille, Inc.*, 8th C. C. A., 106 F. 2d 635.

In the case of *Elgin National Watch Co. v. Illinois Watch Co.*, supra, decided in 1900, the Supreme Court held that only technical trade-marks could lawfully be registered under the Trade-Mark Act of 1881 and that registration of a geographical term under that Act did not give the United States Courts jurisdiction over cases involving the alleged infringement of the registered term. Later the term "Elgin" was found to have acquired a secondary meaning which entitled its owner to protection against infringement. *Elgin National Watch Co. v. Loveland*, C. C. Ia. 1904, 132 F. 41.

The difference in governing facts between the case of *Kellogg Co. v. National Biscuit Co.*, supra, and its inapplicability to the case at bar has been pointed out on pages 36 to 40 supra of this Brief.

In the *Nu-Enamel Case*, supra, the Supreme Court granted protection to a term composed of words found to be descriptive of the product to which the term was applied, because the respondent had admitted that the term "Nu-Enamel" had acquired the secondary meaning claimed by the petitioner, and the Court held that the appropriation of such a term under such circumstances should be enjoined. The *Nu-Enamel Case* also shows that the Trial Court's holding that registration of the term "Raisin-Bran" under the 1920 Trade-Mark Act was void (C. 11, T. 173), is erroneous. *Armstrong Paint & Varnish Co. v. Nu-Enamel Corporation*, 305 U. S. 315, 327-332.

Opposed to the conclusions of the Eighth Circuit Court of Appeals in the case at bar, we find in the following cases that terms composed of words descriptive of elements or of qualities or uses of a product, have been

held capable of acquiring a secondary meaning. "Koke," *Coca Cola Co. v. Koke Co.*, 254 U. S. 143; "Coca Cola," *Nashville Syrup Co. v. Coca Cola Co.*, 6th C. C. A., 215 F. 527; "Filo Floss," *Rawlinson v. Brainard & Armstrong Co.*, 28 Misc. Rep. 287, 59 N. Y. S. 880; "Cocomalt," *R. B. Davis Co. v. Sher*, 125 N. J. Eq. 306, 5 A. 2d 49; "Cohesive Tile," *R. Guastavino Co. v. Comerma*, 180 F. 920, 184 F. 549; "Wormix," *Feil v. American Serum Co.*, 8th C. C. A., 16 F. 2d 88; "Hot-Patch," *Shaler v. Rite-Way Products, Inc.*, 6th C. C. A., 107 F. 2d 82; "Spunlo," *Industrial Rayon Corp. v. Dutchess Underwear Corp.*, 2nd C. C. A., 92 F. 2d 22; "Dyanshine," *Barton v. Rex Oil Co.*, 3rd C. C. A., 29 F. 2d 474; and "Run-R-Stop," *Fitch Co. v. Camille, Inc.*, 8th C. C. A., 106 F. 2d 635. Thus it appears that the decision of the Eighth Circuit Court in this case conflicts with previous decisions of that Court in *Cleo Syrup Corp. v. Coca Cola Co.*, *supra*, and *Fitch Co. v. Camille, Inc.*, *supra*, and also with decisions of the Second, Third and Sixth Circuit Courts of Appeals, and State Courts of New York and New Jersey, as well as with the Supreme Court of the United States in the *Nu-Enamel Case*, *supra*.

In finding and concluding that the term "Raisin-BRAN" could not acquire a secondary meaning because it was composed of two words each descriptive of important component parts of the product to which the term was applied, both the Trial Court and the Circuit Court of Appeals laid special emphasis upon the fact that "bran flakes" was the common name for the cereal portion of Petitioner's product (52 F. S. 432, 448; T. VII-7); and in both Courts below the Respondent argued that because the word "bran" was a part of the Petitioner's trade-

mark and had been long used by the Respondent to describe its products of like character to the cereal portion of Petitioner's product, the term "Raisin-BRAN" in its entirety could not acquire a secondary meaning so as to be subject to protection against infringement. No cases, however, were cited to support such a contention and the cases in which that question has been raised have held otherwise. In the case of *Dixie Cola Laboratories v. Coca Cola Co.*, 4th C. C. A., 117 F. 2d 352, it was held that the word "cola" was open to all manufacturers of soft drinks, but it was definitely stated: "No one else can lawfully use the word 'Coca Cola' for a trade-mark even though it originally may have been a descriptive name." To the same effect is the recent decision of the Supreme Court of Delaware in the case of *Coca Cola Co. v. Nehi Corp.*, 36 A. 2d 156. We also find that in the case of *R. B. Davis Co. v. Sher*, 125 N. J. Eq. 316, 5 A. 2d 49, the word "Cocomalt" was applied to a product which was a combination of cocoa and malt and the term was held to have acquired a secondary meaning and be entitled to protection against infringement of the exact combination. The same ruling prevailed in the case of "Cohesive Tile." *R. Guastavino Co. v. Comerma*, 184 F. 549. In the case of *Caron Corp. v. Condee, Ltd.*, 213 N. Y. S. 735, 736, it was held that the claimant had the right to protection in the use of the term "Black Narcissus" as applied to a perfume even though the term was descriptive of characteristics or component parts of the perfume; and the Court pointed out that, "A phrase or combination of words may be entitled to absolute protection while the use of its component parts may be open to everyone."

The fact that the Petitioner's product came to be known in the trade and to the consuming public by its trade-mark was no reason for holding that the term "Raisin-BRAN" could not acquire a secondary meaning. In the case of *Barton v. Rex Oil Co.*, 29 F. 2d 474, the Circuit Court of Appeals for the Third Circuit pointed out that there is a difference between the use of the term as a designation or name for the product and its use in a purely descriptive sense: "Moreover, the complainants have satisfied us that on a definite and unequivocal finding of fact of this kind the law affords the remedy of injunction against the use of words which in instances such as this have acquired only a secondary meaning when those words are used as the name of a product as distinguished from their use in describing it." *Barton v. Rex Oil Co.*, *supra*, page 475.

In the case at bar, the Petitioner at all times claimed the term "Raisin-BRAN" as its trade-mark, and from the time that it was registered in 1926, stated on each package of the product that "Raisin-BRAN" was its trade-mark (T. 218); and on each carton for many years, the contents of the package have been described in large red letters on the face of the label as "Whole Wheat Flakes With Raisins, Bran and Salt Added" (F. 24, T. 154). Mr. Justice Holmes in his discussion of the rights of the Coca Cola Company in the case of *Coca Cola Co. v. Koke Co.*, 254 U. S. 143, 145, said: "The name now characterizes a beverage to be had at almost any soda fountain * * *. Coca Cola probably means to most persons the plaintiff's familiar product to be had everywhere rather than a compound of particular substances." In this manner, Justice Holmes made it clear that a secondary mean-

ing was established when the trade-mark became identified in the public mind as the name of the product and not as a mere description of its contents.

Section 727, Restatement of the Law of Torts, page 587, reads: "One uses a designation in the manner of a trade-mark or trade name, under the rule stated in Section 717 if he so uses it that prospective purchasers are likely to regard it as the name of or the means of identifying, his goods, services, or business." The matter is well summed up in the following: "Trade names for popular products, as used by one manufacturer, may become so widely known as sometimes to be used as a synonym for the generic name itself. Striking examples of this are such names as 'Kodak' and 'Vaseline.' Both of these are defined in the dictionary, and yet they are trade-marks, the use of which by any one outside the firms which have originated them would constitute an infringement. The fact that a large part of the public may associate a trade name with the generic name for a product is a tribute to the skill with which the firm has popularized the name. To put a penalty upon such skill and to say that the generalization of the trade name by the public as a result of the originator's publicity must deprive him of his monopoly in the name would, in the absence of special circumstances, be the height of injustice." *H. A. Metz Laboratories v. Blackman*, 275 N. Y. S. 407, 414.

The Respondent argued in the Lower Court that the Petitioner had used the term "Raisin-BRAN" in a purely descriptive sense and not as a trade-mark, and to support its contention, the Respondent cited extracts from the cases of *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, and *DuPont Cellophane Co. v. Waxed Products*

Co., 85 F. 2d 75. In this Brief, it has already been pointed out (p. 36, *supra*) that when the National Biscuit Company and its predecessors first used the term "Shredded Wheat" they did not use it as a trade-mark, but had other trade-marks and used the term "Shredded Wheat" as descriptive of their product; and the Court held that after such use the term had become *publici juris* and could not be recaptured unless it could be shown that subsequently the name signified the producer rather than the product. In the case of *DuPont Cellophane Company v. Waxed Products Co.*, 85 F. 2d 75, the same thing occurred. The predecessors of DuPont Company and DuPont Company itself first used the name "Cellophane" as descriptive of the product and not as its trade-mark. The extracts from the opinions of the Courts in the "Shredded Wheat" and "Cellophane" cases must be read with the above facts in mind and with the realization that in the case at bar the term "Raisin-BRAN" was at all times claimed by the Petitioner as a trade-mark. In fact, the Circuit Court of Appeals in its opinion said: "The Appellant has done all that could be done to appropriate 'Raisin-BRAN' as the trade-mark of its product. In 1926, it registered the name as a trade-mark under the Trade-Mark Act of March 19, 1920. In its advertising and on the packages in which the product was sold, Appellant claimed the name as its trade-mark for the product" (T. VII-5). Because of these acts of the Petitioner and the fact that the term "Raisin-BRAN," standing alone, had not been a well-known term in the language prior to its adoption by the Petitioner, and because it was not applied to a patented product, the term "Riasin-BRAN" was capable of acquiring a secondary meaning

even though it was descriptive of the two principal ingredients of the product.

“There can be no doubt that the plaintiff’s corporate name is descriptive of the kind of places in which its business is conducted. Whether or not the name has acquired a secondary meaning, within the sense described, is a question of fact. We think that in this case the existence of the fact has been established.” *Little Tavern Shops v. Davis*, 4th C. C. A., 116 F. 2d 906.

The chief difficulty confronting a Court when passing upon the merits of claims made in a trade-mark or trade name case is what appears on the surface to be an apparent conflict of authorities. Extracts can be found from various cases to support almost any proposition urged pro or con; but the fact remains that if one examines the facts in the various cases and examines the reasons for the application of the various rules, it will be discovered that no extract from any one case can be cited as authority in another case unless it is clear that the facts upon which the quotation is predicated are substantially identical.

In Note 22 of the Appendix (pages 142 to 146 *infra*) is pointed out wherein the cases cited by the Trial Court or advanced by Respondent in support of the conclusion and finding that “Raisin-BRAN” could not acquire a secondary meaning, (and did not acquire a secondary meaning) are distinguishable from the case at bar.

Statements taken from opinions in cases where the controlling facts are different from the controlling facts in the case at bar are not authority for overruling and ignoring the cases cited by the Petitioner in support of

Petitioner's claim that the term "Raisin-BRAN," as used by the Appellant in connection with its dry prepared breakfast food cereal, was capable of acquiring a secondary meaning.⁸

In citing *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, supra, as authority for its conclusion that the term "Raisin-BRAN" could not acquire a secondary meaning, the Court of Appeals said: "A contention that a descriptive name had acquired a secondary meaning under a comparable state of facts was rejected by this Court and by the Supreme Court in *Trinidad Asphalt Mfg. Co. v. Standard Paint Co.*, 8th Cir., 163 F. 977, affirmed in 220 U. S. 446" (T. VII-9). This statement of the Court of Appeals (1) that the question of acquisition of a secondary meaning was involved in the *Trinidad Asphalt Company Case*, and (2) that the facts in the *Trinidad Asphalt Company Case* are comparable with the facts in this case, is erroneous, vide: (1) An examination of the opinions of the Circuit Court and of the Supreme Court in the *Trinidad Asphalt Company Case* shows that the question was whether or not the term "Ruberoid" was entitled to protection as a technical trade-mark because it was registered under the Trade-Mark Act of 1881,—and the question of secondary meaning was not properly involved in the case; (2) In the *Trinidad Asphalt Company Case*, the Circuit Court of Appeals found that merely leaving out a "b" from the word "rubberoid" did not change the word in such manner as to entitle the claimant to the exclusive use of the misspelled word. The Court

⁸ See Note 24, *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315, 335, 83 L. Ed. 195, 205.

further pointed out that when the claimant first adopted the term "Ruberoid" as a trade-mark for its rubberlike roofing, "there were about forty other concerns engaged in that business, many of whose products resembled those of complainant and defendant, and because they possessed some of the characteristics of India rubber, were called and known as 'rubber roofings,' though in none of them was rubber an ingredient * * * the word 'rubberoid' * * * was a part of our common vocabulary long before the complainant began operations. The suffix 'oid' signifies likeness or resemblance of the thing indicated by the word to which it is attached * * *."

In the case at bar, prior to its adoption, the term "Raisin-BRAN" had not been used as a designation for any product and was not in itself a term common to the language at the time of its adoption by the Petitioner. There were no competitors with similar products and the term "Raisin-BRAN" was not the generic name of the product to which it was applied at the time of its adoption by the Petitioner, the combination of the words, standing alone, was new.

In citing the case of *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, supra, the Court of Appeals overlooked Note 24 in the opinion of the Supreme Court in the case of *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315, 335.

5. A trade-mark or trade name may acquire a secondary meaning during the time it is applied to a product which has no competition.

The Trial Court concluded that the term "RAISIN-BRAN" could not acquire a secondary meaning during the time that Petitioner's product was marketed in a non-competitive field and predicated this conclusion upon a quotation from *Kellogg Toasted Corn Flakes Co. v. Quaker Oats Co.*, 6th C. C. A., 235 F. 657, 666 (52 F. S. 432, 448-449).

An examination of the quotation from the *Kellogg Toasted Corn Flakes Company Case*, supra, shows that the quotation appearing in the opinion of the Trial Court in this case was predicated upon a quotation from one of the opinions delivered in the House of Lords in the case of *Cellular Clothing Co., Ltd., v. Maxton & Murray*, 16 R. P. C. 397, 80 Law Times 809. An examination of the reports of the case in the House of Lords shows that the facts upon which the decision is predicated were not stated. This was an appeal from the Scottish High Court of Justice. An examination of the opinion in the Scottish Court shows that the term "cellular cloth" had not been used as the trade-mark for the claimant's product and that there had been competition in the market during the period when it was claimed that a secondary meaning arose:

"The inventor or first maker of the fabric was their managing director, Mr. Haslam, who began the manufacture in 1886 and who first put it upon the market as 'Kershaw's Cellular Cloth.' But the pursuer's company was formed in 1888, and I think it may be taken that the fabric began thereafter to be known in the market under the name of 'Cellular Cloth.' There is no question of patent. Mr. Haslam states that he applied for and obtained a patent, but if so, it is not now in force. Neither is there any question of trade-

mark. The pursuers have a registered trade-mark which they partially use, of which the word 'Aertex' is the essential part. The word 'Cellular' has not been registered by itself or as a part of the trade-mark, nor was it I think suggested that it could be so. * * * The defender, Mr. Maxton, states—and I see no reason to disbelieve him—* * * that * * * he had for some years been acquainted with 'cellular cloth' as a description of clothing in the market which had been repeatedly offered under that name by a Scottish manufacturer." (The plaintiff, Cellular Clothing Company, was a British manufacturer.)

Cellular Clothing Co. v. Maxton & Murray, 35 Sc. L. R. 869, 870.

It thus appears that the quotation from the opinion of one of the Justices in the House of Lords upon which the lower Court predicated its conclusion that a trade term could not acquire a secondary meaning when it was applied to a product during the time it had no competition in the market, was mere dicta. The Sixth Circuit Court of Appeals recognized that the quotation from the *Kellogg Toasted Corn Flakes Case*, *supra*, which was relied upon by the Trial Court in this case, was erroneous and corrected the matter in Note 3 to its decision in the case of *Saalfeld Publishing Company v. C. & G. Merriam Co.*, 238 F. 1, 9, where the Court said:

"Where an article is put out under a trade name which, although it must be called descriptive, is yet also something more than merely descriptive, and where the public is free to compete in the same article and in the same name but for a long period refrains from both, this seems to the writer the ideal soil in which the secondary meaning may grow into effective existence. The name points to one maker only, without confusion or uncertainty, and is a sure 'badge of origin.' "

In cases involving the following descriptive trade names, the Courts have held that a secondary meaning was established during the time that the owner of the trade name had no competition for his product: "Dyan-shine," *Barton v. Rex Oil Co.*, 2 F. 2d 404, 406, aff. 3rd C. C. A., 29 F. 2d 474; "Coca-Cola," *Nashville Syrup Co. v. Coca-Cola Co.*, 6th C. C. A., 215 F. 527; *Coca-Cola Co. v. Old Dominion Beverage Works*, 4th C. C. A., 271 F. 600; "Bromo-Caffeine," *Keasby v. Brooklyn Chemical Works*, 142 N. Y. 467, 37 N. E. 476.

6. The Trial Court erred in its conclusions as to the quantum of proof necessary to establish a secondary meaning.

In the opinion of the Trial Court appears the following:

"The plaintiff in support of its resort to the secondary meaning doctrine relies upon several elements which have been judicially rejected in well reasoned cases. Among these, without grouping them exactly as the plaintiff does, are: (a) An exclusive and long continued use of its designation during a period when no competitor was in the field, vide: *Kellogg Toasted Corn Flakes Co. v. Quaker Oats Co.*, 6 Cir., 235 F. 657, 665, 666; *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, 118, 119, 59 S. Ct. 109, 83 L. Ed. 73, 78; (b) a wide distribution of its product, vide: *Kellogg Toasted Corn Flake Co. v. Quaker Oats Co.*, supra, and *Kellogg Co. v. National Biscuit Co.*, supra; (c) a wide advertising campaign and large expenditures for advertising the product under the designation, vide: *Kellogg Co. v. National Biscuit Co.*, supra; *Du-Pont Cellophane Co. v. Waxed Products Co.*, supra; and (d) identification of the product by its designa-

tion on the part of a substantial portion of the purchasing public; understanding by a substantial portion of the purchasing public and most of the retail and wholesale trade that the name signifies a single thing coming from a single source and covers a product made and distributed exclusively by the person who claims the brand, a recognition in the product of superior quality or excellence by a substantial portion of the purchasing public, vide: *Restatement, Torts, supra*; *Kellogg Co. v. National Biscuit Co., supra*; *DuPont Cellophane Co. v. Waxed Products Co., supra*; *Chivers & Sons v. Chivers & Co., Ltd., 17 R. P. C. 420*; *Cellular Clothing Co. v. Maxton & Murray, L. R. A. C. 326, 16 R. P. C. 397, 68 L. J., P. C. 72, 80 L. T. Rep. 809.*"

Skinner Mfg. Co. v. General Foods Sales Co., 52 F. S. 432, 448.

That portion of the above quotation from the Trial Court's Opinion which is indicated as subsection (d) is directly contrary to the opinion of the Supreme Court of the United States in the case of *Coca Cola Co. v. Koke Co., 254 U. S. 143, 145*, and shows clearly that the Trial Court predicated its finding that no secondary meaning had been established, upon its conclusion of law that the case of *Coca Cola Co. v. Koke Co., supra*, did not apply to the case at bar. The distinctions between the cases cited by the Court in the foregoing extract from its Opinion, and the case at bar, are pointed out in other portions of this Brief as follows: *Restatement of the Law of Torts* (pp. 45-46, 51, *supra*); *Kellogg Company v. National Biscuit Company* (pp. 35 to 39 and 52, *supra*, and Notes 12, 15, 19 of Appendix 22); *DuPont Cellophane Co. v. Waxed Products Co.* (p. 52 and Notes 15 and 16 of Appendix 22); *Chivers & Sons v. Chivers & Co., Ltd.*

(Note 16 of Appendix 12); *Cellular Clothing Co. v. Maxton & Murray* (Notes 15, 16 and 17 of Appendix 22, and p. 58, supra); *Kellogg Toasted Corn Flake Co. v. Quaker Oats Co.* (Notes 12, 15, 17, of Appendix 22, and pp. 56-57, supra).

These conclusions of the Trial Court set out in the above quotation from its opinion are contrary to many adjudicated cases wherein it has been held that proof of such a character is sufficient to establish secondary meaning in terms which are capable of acquiring such meaning. The following cases hold that the existence of a secondary meaning may be proved by showing that the claimant has had the exclusive use of its trade name as applied to its product for a substantial period of time, and that during such time a large and extensive volume of business in the product has been developed; *New England Awl & Needle Co. v. Marlboro Awl and Needle Co.*, 168 Mass. 154, 46 N. E. 387; *Birmingham Vinegar Brewing Co. v. Powell*, A. C., House of Lords 1897, p. 710, 66 L. J. (Ch.) N. S. 763; *Barton v. Rex Oil Co.*, 2 F. 2d 402. Other authorities have considered such facts together with large advertising expenditures to be sufficient proof; *Derenberg, Trade-Mark Protection*, p. 355; *Holt v. Metropolitan Refining Co.*, 9 F. S. 662; *Grocers Baking Co. v. Sigler*, 132 F. 2d 498; *Keasby v. Brooklyn Chemical Works*, 142 N. Y. 467, 37 N. E. 476; *Coca-Cola Co. v. Old Dominion Beverage Corporation*, 271 F. 601, 602; *R. B. Davis Co. v. Sher*, 125 N. J. E. 316, 5 A. 2d 49, 50; and some Courts have considered that in addition to the foregoing, the fact that a claimant had made the product to which it applied the term popular with the public, is of particular significance in considering the question of sec-

ondary meaning. *Keasby v. Brooklyn Chemical Works*, 142 N. Y. 467, 37 N. E. 476; *F. W. Fitch Co. v. Camille, Inc.*, 106 F. 2d 635, 638.

Except in the case of *Grocers Baking Co. v. Sigler*, supra, all of the cases just cited in favor of the Petitioner's claim indicate that the secondary meaning was predicated upon the evidence of the activities of the claimant and the success of its business and not upon any testimony of the wholesalers, retailers and consumers; and in the case of *Grocers Baking Co. v. Sigler*, supra, that character of testimony was very scant.

7. The Trial Court erred when it concluded that credible testimony of sales representatives of the Petitioner, with wide experience dealing with the trade, to the effect that in the mind of the consuming public the term "Raisin-BRAN" meant the Petitioner's particular product, and similar testimony of wholesale and retail grocers with wide experience in the trade, was incompetent as proof of a secondary meaning.

During the progress of the trial, 6 of Petitioner's sales representatives with wide experience in the trade (T. 258, 266, 267, 253, 367, 611), and 40 wholesale grocers with equally broad experience (A 5c), testified that prior to the advent of the Post and Kellogg products, the term "Raisin-BRAN" meant the petitioner's product, both in the wholesale and retail trade. The Trial Court admitted this evidence over the objection of the defendant that it was incompetent, but in its opinion said: "In passing it may be remarked that the Court has not regarded as persuasive certain alleged expert

testimony offered by the plaintiff from among (a) its own salesmen and representatives, and (b) miscellaneous merchants, wholesale and retail, largely customers of the plaintiff. Upon mature examination it is regarded as incompetent" (52 F. S. 448).

Under the Law Merchant the Courts frequently rely upon testimony of this character, holding that testimony of those shown to be familiar with a particular trade and its terms is admissible to prove the understanding in the trade with respect to the meaning of such terms. In the case of *Reddaway v. Banham*, L. R. 1896, A. C. 199, 205, the Court said: "To me, or to other persons not familiar with the trade, this (the term 'Camel's Hair' as applied to belting) undoubtedly does seem simply a description of the article sold and not a representation of it being made by a manufacturer. But then, I should not know, what persons engaged in the trade would know, how far particular words, even though descriptive of the article sold, may have acquired a kind of technical signification which would give to them in the trade as completely the character of being made by a particular manufacturer as if they were stamped with his trade mark." To the same effect is *Hygeia Distilled Water Co. v. Hygeia Ice Co.*, 70 Conn. 516, 40 At. 534, 539.

8. The term "Raisin-BRAN" had acquired a second meaning prior to the time that the Respondent appropriated the term as a designation for its competing product, and the term at that time was not a free word; and the Circuit Court of Appeals erred when it held that it was bound by the Trial Court's finding on that issue.

It has been pointed out in a previous portion of this Brief (pages 34 to 36, supra) that prior to the time that the Petitioner coined the term "Raisin-BRAN," standing alone, and adopted it as its trade-mark, the term had no particular meaning in the public mind and might have meant almost anything; but surely did not instantly suggest to the public that it was a dry prepared breakfast food.

Definition of Secondary Meaning.

In the Lower Courts the Respondent urged that the very fact that "Raisin-BRAN" had no particular meaning prior to its adoption by Petitioner made it impossible for it to acquire a secondary meaning. This argument shows a misconception of the true meaning of the term "secondary meaning" as it is used by the Courts in trade-mark cases. The term "secondary meaning" is a survival of a legal term adopted and used by the Courts before it was recognized that terms composed of words descriptive of the contents or uses of a product were capable of acquiring a secondary meaning. As applied to a term such as "Raisin-BRAN," a secondary meaning does not import that the term "Raisin-BRAN" (as opposed to the words of which it is composed) must have an established primary meaning before it may be adopted as a trade-mark and acquire a secondary meaning. The term "secondary meaning" as applied to such a term merely means that subsequent to its adoption, the term must acquire a particular meaning which it did not theretofore possess, and that such meaning must indicate to the public a particular product coming from a

single source, whether the source be known or anonymous. That this is so is clear from the fact that in the following cases the following terms which had no particular meanings prior to their adoption were found by the Courts to have acquired secondary meanings: "Coca Cola", *Nashville Syrup Co. v. Coca Cola Co.*, 215 F. 527; "Cocomalt", *R. B. Davis Co. v. Sher*, 125 N. J. Eq. 316, 5 A. 2d 49; "Cohesive Tile", *R. Guastavino Co. v. Commerma*, 184 F. 549; "Filo Floss", *Rawlinson v. Brainard & Armstrong Co.*, 28 Misc. Rep. 287, 59 N. Y. S. 880; "Dyanshine", *Barton v. Rex. Oil Co.*, 29 F. 2d 474; "Run-R-Stop", *F. W. Fitch Co. v. Camille, Inc.*, 8th C. C. A., 106 F. 2d 635.

Merchandising Methods of Petitioner.

In passing upon the question of the evidence offered by the Petitioner to establish a secondary meaning, the Trial Court in its opinion said that the Petitioner's "purpose and design to appropriate its brand name as its exclusive prerogative are manifest from the evidence and have been affirmed in specific findings by the Court" (52 F. S. 432, 447, 448). In its findings the Trial Court said, among other things: "From the inception of its marketing of its product known as 'Raisin-BRAN' in the year 1925 until the month of April 1942 * * * when retail merchants or ultimate consumers in the course of their purchases asked for 'Raisin-BRAN', they were supplied with plaintiff's product" (F. 27, T. 155); "* * * in most instances, prior to April 1942, the consuming public, retailers, and wholesalers in listing, advertising or ordering plaintiff's product, designated it merely as

'Raisin-BRAN.' In most cases prior to April 1942, the consumers, retailers and wholesalers merely called the product 'Raisin BRAN' when placing an order, either oral or written, and in doing so intended that they should receive the product distributed by the plaintiff" (F. 18, T. 151-152); "Through its advertising and sales promotion, the plaintiff has developed a public demand for the product" (F. 20, T. 152); "At the time of the commencement of this action and at the time of the inception of competition with plaintiff's product in 1942, and for several years prior thereto, the term 'Raisin-BRAN' to ultimate consumers and to the public generally signified a dry prepared breakfast cereal including as the principal among its ingredients raisins and a bran type cereal, * * * at all times during the marketing of plaintiff's product, nearly all wholesale dealers in food products and a majority of retail dealers in such products knew that the plaintiff was the distributor of "Raisin-BRAN' and the only distributor of a product containing like ingredients or having a similar name" (F. 14, T. 146).

In its opinion, the Eighth Circuit Court of Appeals said: "The Appellant has done all that could be done to appropriate 'Raisin-BRAN' as the trade mark of its product. In 1926 it registered the name as a trade mark under the Trade Mark Act of March 19, 1920. In its advertising and on the packages in which the product was sold, Appellant claimed the name as its trade mark for the product. For 17 years it marketed the product as 'Raisin-BRAN' without competition. It spent large sums of money in advertising and in creating a demand

for the product and to build up a large and profitable business in it" (T. VII, p. 5). It is clear from reading the opinions of both the Trial Court and the Circuit Court of Appeals that their finding that no secondary meaning was established by the Petitioner in the term "Raisin-BRAN" (F. 28 T. 155; T. VII, pp. 8-9) was predicated upon their erroneous conclusions of law (1) that no such term could acquire a secondary meaning, (2) that the term could not acquire a secondary meaning during the period when there was no competitive product in the field, and (3) that the case was governed by the following statement taken from the "Shredded Wheat" case: "But to establish a trade name in the term 'Shredded Wheat', the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term in the minds of the consuming public is not the product but the producer." *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, 118.

Understanding of public required to establish secondary meaning.

It has been pointed out in part 2 of this Argument (pages 34 to 36, *supra*), that this was an erroneous conclusion of law, in that the "Shredded Wheat" case was predicated upon the proposition that the term "Shredded Wheat" had become *publici juris* before the National Biscuit Company sought to appropriate it as a trade-mark, and that the rule as announced in the "Shredded Wheat" case was a rule which applies to cases where the claimant of a trade name is seeking to recapture that name from the public domain, or to ap-

propriate a name which was already in common use at the time the claimant first sought to appropriate it. In part 2 of this Argument (pages 34 to 36) it has been pointed out that in the case at bar the term "Raisin-BRAN" was not in common use when the Petitioner first appropriated it and used it for a trade-mark, and that this case is governed by the rule laid down in the case of *Coca Cola Co. v. Koke Co.*, 254 U. S. 143, 145, in which the Court held: "It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words, 'Coca Cola' probably means to most persons the plaintiff's familiar product, to be had everywhere, rather than a compound of particular substances * * *. We see no reason to doubt that, as we have said, it has acquired a secondary meaning in which, perhaps, the product is more emphasized than the producer, but to which the producer is entitled."

It is apparent from reading the Trial Court's Opinion and Findings that the Trial Court considered that it was necessary for the Petitioner to show that the term "Raisin-BRAN" meant to most purchasers "Skinner Manufacturing Company, Omaha, Nebraska" rather than a single product coming from a single source, whether that source was known or anonymous. This was an error. The value of a trade-mark lies in the fact that the public understands that the mark represents a particular single product which the customer wants so that when the customer calls for that product by the trade-mark, he can expect to receive that particular product. It is not the name of the manufacturer which interests the public, but the quality and particular and peculiar characteristics

of the product, and when the public knows, that by asking for a particular product by its trade-mark or brand name, it can get the very thing it wants, the name becomes a valuable item of good will.

“ * * * a trade name may be the name for goods emanating from a particular source whether known or anonymous * * *.” Comment a, Sec. 716, Restatement of the Law of Torts, pp. 558, et seq. “In the present case it seems to me that ‘Yorkshire Relish’ meant the manufacture of a particular person. I do not mean that in the minds of the public the name of the manufacturer was identified, but that it meant a particular manufacture, and that when a person is sold ‘Yorkshire Relish,’ as the defendant did, by selling it as ‘Yorkshire Relish,’ and calling it ‘Yorkshire Relish,’ he represented to the public that it was the manufacture which was known as and by the name of ‘Yorkshire Relish,’” *Birmingham Vinegar Brewery Co. v. Powell*, A. C. 1897, p. 710, 66 L. J. (Ch.) N. S. 763, 1897 L. R., House of Lords, p. 710. “Secondary meaning may exist between a name and a manufacturer or seller whose identity is not known to the buyer as well as between a name and a manufacturer or dealer who is known to the consumer. There are many specific articles which are constantly asked for by brand name. The buyer seeks the product of some one particular concern. He does not know its name, or its location, or whether it is a corporation or an individual. He only knows he seeks a particular thing known by a name familiar to him.” *Nims, Unfair Competition*, Sec. 42, p. 121.

“It is not of controlling importance to the true application of the secondary meaning theory, that the public

should appreciate the personal identity of the manufacturer." *Saalfeld Publishing Co. v. Merriam Co.*, 238 F. 1, 8.

Testimony re understanding of the public.

Most of the testimony on the issue of secondary meaning was taken by deposition (see p. 9, *supra*) and all of it was taken after the Respondent and General Foods had commenced intensive radio and newspaper advertising and sales campaigns for the purpose of marketing their competing products under the trade name "Raisin-BRAN" (A. 1).

Twenty-three consumer witnesses testified that the mark "Raisin-BRAN" meant the Petitioner's product (A. 3i), and 46 of the 129 consumer witnesses who had knowledge of "Raisin-Bran," knew that "Raisin-BRAN" was a product of the Petitioner (A. 3e) and 13 consumers testified that although they did not know the name of the distributor, they did know that prior to the advent of the Post and Kellogg products, there was only one breakfast food product designated "Raisi■BRAN" on the market (A. 3d). Fifty of the consumer witnesses identified the Petitioner's product as the only one they had been accustomed to purchasing as "Raisin-BRAN" and 45 of these 50 knew the name of the distributor (A. 3e, 3f). Twenty-one consumers testified that when they wished the Petitioner's product, they asked for "Raisin-BRAN" (A. 3g). Thousands of letters had been received by the Petitioner from the ultimate consumers in all sections of the country, indicating clearly that such persons knew the source of origin of the product "Raisin-BRAN" (F. 23, T. 154).

There were 54 retail grocer witnesses who gave evidence that they did a service business and 41 retail grocers testified that before the advent of the Post and Kellogg products, their customers called for the Petitioner's product under the designation "Raisin-BRAN" (A. 4f); 26 retail grocers testified that when their customers asked for just "Raisin-BRAN", they desired the Petitioner's product (A. 4g); 46 retail grocers testified that the mark "Raisin-BRAN" meant the Petitioner's product (A. 4i); and six of the Petitioner's sales representatives and 40 wholesale grocers with equally broad experience, testified that prior to the advent of the Post and Kellogg products, the term "Raisin-BRAN" meant Petitioner's product, both in the wholesale and retail trade (A. 5c, T. 258, 266, 267, 253, 367, 611).

The Trial Court ignored entirely the foregoing positive evidence and gave no heed whatsoever to the credible evidence of the competent witnesses who testified that at the time the Kellogg Company and General Foods put out their products with infringing labels, the term "Raisin-BRAN" meant the Petitioner's product, and found that "the plaintiff has not established for the name any significance other than descriptive" (52 F. S., p. 448).

On this issue the Court of Appeals said: "The evidence of appellant tended to show that the name had acquired a secondary meaning, while the evidence of appellees tended to show that the name, which was originally descriptive of ingredients of the product, had retained its primary generic meaning. The Trial Court resolved this issue in favor of the appellees, * * * and its determination is binding upon this Court" (T., Vol. VII, pp. 8,

9), and further on, the Court of Appeals said: "Whatever the trade name of 'Raisin Bran' may have meant prior to the advent of appellees' competing products, it is a reasonable conclusion that the words 'Raisin Bran' have at all times meant bran with raisins in it" (T., Vol. VII, p. 10).

From these statements of the Court of Appeals, it is evident that that Court recognized the fact that the Petitioner had produced substantial proof that the term "Raisin-Bran" had acquired substantial trade-mark significance, but concluded that since it had at the same time acquired a significance as to the characteristics of the product, the trade-mark significance was of no consequence, and a secondary meaning was not established.

In the case of *Coca Cola Company v. Koke Company*, 254 U. S. 143, 145, Justice Holmes said: "We see no reason to doubt that, as we have said, it has acquired a secondary meaning in which, perhaps, the product is more emphasized than the producer, but to which the producer is entitled."

It is clear from reading the opinions of the Trial Court and of the Court of Appeals, that both courts overlooked the fact that where a term which is descriptive of important constituents of a product, is used as a trade-mark, it may acquire a dual significance, one which characterizes the product, the other which indicates that it is a single thing coming from a single source, whether known or anonymous, this being the trade-mark significance, and if it has the latter significance it is entitled to protection against infringement even though it also possesses a significance which characterizes the product.

As in the case of Coca Cola, that is what occurred in the case of Raisin-BRAN; neither term had been used prior to its adoption to designate any product, each term was composed of two words, which were descriptive of two important ingredients of the product; before their appropriation by the respective claimants neither term standing alone meant to the public the particular type of product to which such term was applied; after long exclusive use Coca Cola came to mean a soft drink of which cocoa and cola were the two principal ingredients, and Raisin-BRAN came to mean a dry prepared breakfast food of which raisins and bran were two of the principal components (F. 14, T. 146); each term meant a single thing coming from a single source, whether the source was known or anonymous; Coca Cola had acquired a dual significance, one which characterized the product (i. e., a soft drink containing cocoa and cola), and the other of trade-mark significance; and the evidence in this case shows that Raisin-Bran has likewise acquired such a dual significance, one which characterized the product (i. e., a dry prepared breakfast food containing raisins and bran) and the other which is of trade-mark significance.

An excellent illustration of the proof of dual significance is found in the following extract from the Record in this case: "Q. Raisin-bran means to you bran with raisins in it?" "A. It means this package." (Witness points to Exhibit "A"—Petitioner's Package.)

Q. "What is on the package?" "A. Whole wheat flakes with raisins, bran and salt added." "Q. It is a bran cereal with raisins, bran—isn't that right—with raisins in it?" "A. That is right" (T. 495).

The following cases illustrate the fact that a term which contains descriptive words may have a dual significance, one characterizing the product or business to which the term had been applied, and the other of trade-mark significance, and the term will be granted protection under the secondary meaning rule if the trade-mark significance is established.

“There can be no doubt that the plaintiff’s corporate name is descriptive of the kind of places in which its business is conducted, and whether or not the name has acquired a secondary meaning, within the sense described, is a question of fact. We think in this case the existence of the fact has been established.” *Little Tavern Shops v. Davis*, 4 Cir. 116; F. 2nd, 903-906.

See also Note 3, *Saalfeld Publishing Co. v. C. & G. Merriam Co.*, 238 F. 1 page 9 (page 58, supra); *Reddaway v. Banham*, L. R. 1896, A. C. 199, 205 (page 63, supra); and *B. V. D. v. Montgomery-Ward Company*, 16 T. M. R. 423.

It is patent that the trial court ignored the positive evidence of witnesses who testified that Raisin-Bran meant the Petitioner’s product, because it failed to recognize the fact that the term could acquire a dual significance, and still be held to have acquired a secondary meaning which entitles it to protection from infringements. In fact, the trial court predicated its conclusion that the Petitioner had failed to establish a secondary meaning upon the following: “Down to, and during the trial of this case, Raisin-Bran to the public generally signified a breakfast cereal, ‘consisting of,’ ‘composed of,’

'containing or including' raisins and bran" (52 F. S. p. 448). The evidence to which the trial court adverts in the above quotation, was predicated upon questions propounded by defense counsel, of which the following is a fair example: "Q. What does the term or name 'Raisin-Bran' mean to you?" (T. 423).

With but one or two exceptions, whenever questions of this character were propounded to the witnesses, it was clear that the answer related to the understanding of the witnesses at the time the testimony was being taken, which was after the intensive sales and advertising campaigns of General Foods and Kellogg were well under way (A. 12b). That the present tense of the question propounded to the witnesses had a marked effect upon their answers is demonstrated by the fact that a large number of these witnesses who testified that the term "Raisin-Bran" meant "A breakfast cereal composed of raisins and bran," or words to that effect, also testified that before the advent of General Foods and Kellogg products, the term signified the Petitioner's product (A. 12c).

An examination of the evidence of almost all of the witnesses who testified that Raisin-Bran meant a breakfast food composed of raisins and bran, shows that the trade-mark significance of the term was as well known to them as that significance which characterized the product.

It is also apparent from examining the testimony that many of these witnesses were induced to give the answers which they did by leading and suggestive lines of questioning: (T. 358-359, 362, 388, 390, 392-393, 403, 446, 495, 498, 571, 638, 668, 768, 826, 833, 1072, 1075, 1095,

1111, 1112, 1113, 1132.) In fact, some of this testimony was elicited from witnesses who had never seen nor used Petitioner's product prior to competition (T. 384, 416, 418, 492, 855, 1034-1035, 1159, 1176, 1182, 1197), or who had practically no knowledge or experience with Petitioner's product before competition (T. 832, 1046, 1072-1073, 1149, 1152).

As opposed to the voluminous credible, positive evidence of the **trade-mark** significance of the term "Raisin-Bran" elicited from among the consumer and retail grocer witnesses, there were only 9 consumer witnesses and 11 retail grocers who positively testified that the term "Raisin-Bran" did not mean to them the product of any particular manufacturer, or any particular product, and the testimony of these witnesses was all predicated upon their understanding as to the time after General Foods and Kellogg had introduced their competing products on the market (A. 12g); and three of these retail grocers testified positively that before the advent of the General Foods and Kellogg products the term "Raisin-Bran" meant the Petitioner's product (T. 430, 444, 1206-1207), while three of these consumer witnesses and four of these retail grocer witnesses made it clear that they understood that before competition "Raisin-Bran" meant the Petitioner's product (Consumers T. 413, 635, 1216-1217; Retailers, T. 699, 756-757, 1218-1220, 1221-1223), and two of those consumers testified they had no real knowledge of Petitioner's product before competition (T. 416, 889); and of these witnesses, the testimony of seven of the nine consumers, and eight of the eleven retail grocers showed clearly that they had the General Foods, Kelloggs and the Petitioner's products in mind when they

testified that the term "Raisin-Bran" did not mean any particular manufacturer or source of origin (A. 121).

It is submitted that none of this negative evidence impeached the credibility of the Petitioner's witnesses who testified to positive understanding. Under the rules of evidence, such negative evidence was not of sufficient weight to overcome the substantial positive evidence adduced by the Petitioner, which showed that a secondary meaning had been established in Petitioner's trade-mark "Raisin-BRAN." "It is needless to repeat the arguments upon the question of the comparative value of negative and positive testimony or to restate the reasons underlying the almost unanimous decisions of the Courts that the testimony of one credible witness to a positive fact may outweigh any amount of merely negative testimony." *DeGriselles v. Gans*, 116 Neb. 835, 219 N. W. 235, 239.

The testimony of those who had never heard of the Petitioner's product or who had only recently heard of it, is of no consequence against the positive evidence of those who did know of the product and had purchased it for some time. "The applicable rule, well established by the authorities, is that, where the attention of those testifying to a negative was not attracted to the occurrence which they say they did not see or hear, and where their situation was not such that they probably would have observed it, their testimony is not inconsistent with that of credible witnesses who were in a situation favorable for observation, and who testify affirmatively and positively to the occurrence." *Bergman v. Northern Pac. Ry. Co.*, 8th C. C. A., 14 F. 2d 580, 582.

The negative testimony of those whose memory or power of comprehension was not particularly acute is of little weight against the positive testimony of credible witnesses who had good memories and powers of comprehension. "Testimony was taken on the question of prior use. Many glass workers of large practical experience have testified "to the use of this method years before this patent was obtained. There is nothing in the record to impeach their credibility as witnesses, and they speak positively as to the fact. * * * A large number of witnesses equally credible and equally experienced had not been, and perhaps had not known, of any such practice. But this testimony is negative, while that of defendant's witnesses is positive. The latter, therefore, is stronger and entitled to much greater weight than the former. As a distinguished authority on evidence has well said, in speaking of the rule, 'The witness who testifies to a negative may have forgotten what actually occurred, while it is impossible to remember what never existed.'" *Window Glass Mach. Co. v. Pittsburgh Plate Glass Co.*, 46 F. 2d 484, 494; *affd.*, 3rd C. C. A., 284 F. 645. See also *The Fort St. George*, 22 F. 2d 195, syllabus 4; *affd.* 27 F. 2d 728; *cert. denied*, 278 U. S. 654.

The evidence which was the result of leading and suggestive questions which induced the witnesses to give their understanding of the descriptive significance of the term "Raisin-BRAN" after competing products were on the market does not negative the positive testimony of the witnesses to the effect that the term meant the Petitioner's product. "The probative value of evidence of a witness is lessened where obtained by leading questions which were so propounded that the witness practically

merely assents or dissents." *Huffman v. Buckingham Transportation Co. of Colorado*, 10th C. C. A., 98 F. 2d 916, 921.

**Amount of testimony necessary to establish
secondary meaning.**

In spite of the foregoing, the Trial Court not only held that such evidence was not sufficient to prove a secondary meaning, but in its Opinion said: "The Court has heard and upon "this issue has particularly reviewed and reread the oral evidence, both presented through witnesses, appearing personally before the court and submitted by deposition; and it is wholly satisfied that no public understanding either of the plaintiff as the origin of 'Raisin-BRAN' or of 'Raisin-BRAN' as a product of the plaintiff has even nearly been established" (52 F. S. 432, 448).

From this it is clear that the Trial Court erroneously considered that it was necessary to show that practically all of the purchasing public fully appreciated the fact that the term "Raisin-BRAN" was a trade-mark and not a mere descriptive term.

The opinions of the Courts in the following cases indicate that secondary meanings were found to exist in cases where there was no testimony whatsoever from ultimate consumers. *New England Awl & Needle Co. v. Marlborough Awl & Needle Co.*, 168 Mass. 154, 46 N. E. 387; *Birmingham Vinegar Brewing Co. v. Powell*, 66 L. J. (Ch.) N. S. 763; *Barton v. Rex Oil Co.*, 2 F. 2d. 402; *Derenberg Trade Mark Protection*, p. 335; *Holt v. Metropolitan Refining Co.*, 9 F. 2d 662; *Keasby v. Brooklyn Chemical Co.*, 142 N. Y. 467, 37 N. E. 476; *Coca Cola Co.*

v. Old Dominion Beverage Corp., 271 F. 601, 602; *R. B. Davis Co. v. Sher*, 126 N. J. E. 316, 5 A. 2d 49, 50; *F. W. Fitch Co. v. Camille, Inc.*, 106 F. 2d 635. In cases where evidence of consumers or other witnesses was used to prove the secondary meaning, the Courts did not require a plethora of consumer, wholesaler and retailer witnesses, but were satisfied with scant testimony of that character. "The record shows without contradiction that the words 'Honey-Krust' have acquired a secondary meaning throughout the State of Kentucky, and have come to signify the product of appellant, both to the consuming public and to dealers generally. This was testified to by a qualified disinterested witness, as well as by several employees of the appellant." *Grocers Baking Co. v. Sigler*, 6th C. C. A., 132 F. 2d 498. "A trade mark owner will usually summon as witnesses his former employees, as well as those engaged at the time of the proceedings, his agents, traveling salesmen, and possibly even customers." *Derenberg Trade Mark Protection*, p. 337. In fact, in a case in the Fourth Circuit Court of Appeals the Court held that the existence of a secondary meaning was established through customers who testified that they had patronized the defendant's store in the belief that it was the claimant's. *Little Tavern Shops v. Davis*, 4th C. C. A., 16 F. 2d 903, 906.

In an article written by Dr. Martin Wassermann which appears in 24 United States Trade Mark Association Bulletin (No. 6, p. 157), there is a discussion of the "Gervais Cheese Case" as to the proof necessary to entitle the owner of a trade-mark to protection against

infringement. In that case it was contended that because a large number of members of the consuming public had forgotten or did not appreciate the fact that the name "Gervais" indicated the source of origin of the cheese, that therefore, the term did not have a secondary meaning, and the Supreme Court of Germany in that case said: "A large circle of consumers had in the course of time become accustomed to seeing in the word 'Gervais' an indication of quality; * * * however, on the part of the so-called better class of public concerned with the consumption of genuine 'Gervais', the remembrance of the different places of manufacture had not yet been obliterated; that, moreover, this circle of consumers even now when purchasing 'Gervais' expected a cheese of definite origin. * * * It is sufficient that a not inconsiderable part of the public concerned sees in the word its original meaning." 24 U. S. Trade Mark Association Bulletin, p. 157.

In the same article, discussing the "Saccharino Case," the Supreme Court of Germany is quoted, viz.: "There is no change into a trade name⁹ so long as a part of the trade circle, be it only of persons who are familiar with the business of the mark in question and the meaning of the word, regard it as an indication of such manufacture. Whether the circle of consumers in general are aware of the fact that the complainant has a trade mark and that it has had a monopoly * * * in the production of sugars is unimportant. The meaning of a trade mark to the consumer does not consist in the

9 "Trade name" is used here as synonymous with free name.

fact that the buying public knows from what source the goods originate, but that the mark offers to it a guarantee of the uniform derivation of the goods in question; it thus knows that it has before it the same goods when it sees the same mark on the same article." 24 U. S. Trade Mark Association Bulletin, pp. 158-159.

"Raisin-BRAN" did not become publici juris.

The Respondent in the Lower Courts predicated part of its argument that the term "Raisin-BRAN" had not acquired a secondary meaning upon the cases of *Bayer Co. v. United Drug Co.*, 272 F. 505, and *Dry Ice Corp. of America v. Louisiana Dry Ice Corp.*, 54 F. 2d 882, cert. den. 286 U. S. 558. These cases, however, are not in point with the case at bar. In the case of *Bayer Co. v. United Drug Co.*, supra, the word "Aspirin" had become a free term to the consuming public and had failed to acquire a secondary meaning because the producer of the product had permitted various manufacturing chemists to put out the product with their own names as part of the designation, thereby using the word "Aspirin" in a purely descriptive sense and using their own names to indicate the sources of origin; but the Court did hold that a secondary meaning had been established as between the manufacturer and wholesalers because the manufacturer had used the term as its trademark in selling its product to manufacturing chemists. In the "Dry Ice Case" there were competitors in the field who described their competing products by other names than dry ice, which was the trade name of the complainant, but the name was such an apt description that the public on its own volition and without the en-

couragement or suggestion of competitors, applied the term to the competitor's products as well as to the product of the original user of the term. In the case at bar, however there was nothing done by the claimant which amounted to a dedication of the word to the public or was designed to lead the public to believe that the term indicated other than a single thing coming from a single source which, before competition, was the Petitioner.

General Foods Company and Kellogg Company, however, by use of the term as though it were descriptive, to wit, "Post's Raisin Bran" and "Kellogg's Raisin Bran," and by sudden and intensive sales and advertising campaigns (52 F. S. 437, 438) did their best to convince the consuming public that the term "Raisin-BRAN" was descriptive of their products and applied thereto as well as to the Petitioner's product, and in this manner they attempted, by infringement and unfair competition, to make Petitioner's term "Raisin-BRAN" a free word. Surely no rule of equity will justify holding that Petitioner's trade name "Raisin-BRAN" became a free word, open to use by the infringers, because of the wrongful acts of the infringers.

The right of the Respondent to appropriate the trade-mark of the Petitioner must be measured by the situation which existed with respect to the term at the time that the Respondent and General Foods first infringed the Petitioner's trade-mark and not after they had done their best to destroy the secondary meaning which Petitioner had established in the mark through seventeen years' exclusive use of the mark and through extensive and expensive advertising and sales campaigns.

In Part 1 of this Argument (pp. 30 to 34, *supra*), Petitioner has pointed out that the Appellate Court erred when it construed Federal Rule of Civil Procedure No. 52 as precluding it from reviewing the findings of fact of the Trial Court. In Part 3 of this Argument (pp. 36 to 45, *supra*), the Petitioner has pointed out that both the Trial Court and the Appellate Court erred when they concluded that this case is governed by the rules laid down in the "Shredded Wheat" Case and not by the rules laid down in the "Coca-Cola" Case. In Part 4 of this Argument (pp. 45 to 56, *supra*), the Petitioner has pointed out that the Trial Court and the Appellate Court erred when they concluded and found that the term "Raisin-BRAN" was not capable of acquiring a secondary meaning because it was composed of two words which were descriptive of the principal components of the product to which the trade-mark was applied.

In Part 6 of this Argument (pp. 59 to 62, *supra*), Petitioner has pointed out that the Trial Court erred in its conclusions as to the quantum of proof necessary to establish a secondary meaning, and in Point 7 of this Argument (pp. 62 to 63, *supra*), the Petitioner has pointed out that the Trial Court erred when it failed to consider the testimony of representatives of the Petitioner and wholesale and retail grocers familiar with the trade, to the effect that the term "Raisin-BRAN" meant to the purchasing public the product of the Petitioner. In all of the discussions of these various matters, it has been pointed out that the Trial Court predicated its finding that no secondary

meaning had been established upon an analysis of the testimony which was predicted upon these erroneous conclusions of law.

Court of Appeals erred in refusing to review evidence.

This being the case, under its own decisions, the Eighth Circuit Court of Appeals erred when it refused to review the Trial Court's Finding that the Petitioner had failed to establish a secondary meaning. *Aetna Life Ins. Co. v. Kepler*, 8th C. C. A., 116 F. 2d 1, 5. But even if this finding of the Trial Court were not predicated upon erroneous conclusions of law, the testimony upon which the Trial Court predicated its finding was not of a nature which could be truly called conflicting. This testimony came from 137 consumer witnesses (A 3), only 5 of whom appeared before the Court in person (T. 262, 262, 289, 290, 290) from 97 retail grocer witnesses (A. 4) all of whose testimony was given by deposition, from 49 wholesale grocer witnesses (A 5) only 2 of whom appeared before the Court in person (T. 263, 288) and some 17 brokers and salesmen representing the Appellant, 7 of whom appeared before the Court in person (T. 252, 257, 259, 260, 264).

The testimony of all of these witnesses related to the understanding, knowledge and practice of such witnesses and no one witness gave testimony which impeached the credibility of another, the differences in testimony merely being differences which would be natural when the evidence is taken from so many people, differences which were predicated upon differences in memory, experience, marketing methods, and understand-

ings of the several witnesses. There was nothing, therefore, which barred the Court of Appeals from reviewing the testimony and drawing its own sound conclusions on the subject. *Kuhn v. Princess Lida of Thurn & Taxis*, 3d C. C. A., 119 F. 2d 704, 706; *Equitable Life Assurance Society v. Irelan*, 9th C. C. A., 123 F. 2d 462, 464.

9. Since the term "Raisin-BRAN" had acquired a secondary meaning with respect to Petitioner's product, the Respondent had no right to use that term as the designation for its competing product.

The Respondent, in designating its product which competes with the product to which Petitioner had applied its trade-mark "Raisin-BRAN", called its product "Kellogg's Raisin 40% Bran Flakes" and prepared its label and advertising matter so that the product would naturally be called "Raisin-BRAN" (A. 9, 10; T. 316-317, 318). In its Opinion, the Trial Court said that the Respondent had a perfect right to use the term "Raisin Bran" on its competing product (52 F. S. 432, 451). The Court of Appeals also held that the Respondent had a right to use the exact term "Raisin Bran" (T. Vol. VII, p. 9).

**Use by Respondent of term "Raisin-BRAN"
an infringement.**

These holdings were predicated upon the conclusion that if the term was in any substantial degree descriptive of the product or of the contents of the product, it was in the public domain and open to use by others. Such conclusion was in direct conflict with the decision

of the Supreme Court of the United States in *Armstrong Paint & Varnish Co. v. Nu-Enamel Corp.*, 305 U. S. 315, in which it was held that the use of the trade name of another is an infringement, if such a name has acquired a secondary meaning. To like effect are Section 717, Restatement of the Law of Torts, p. 562; *N. K. Fairbanks v. Luckel, King & Cake Soap Co.*, 102 F. 737; *Fuller v. Huff*, 104 F. 141; *Coca Cola Co. v. Stevenson*, 276 F. 1015; *R. Guastavina Co. v. Comerma*, 184 F. 549; *Little Tavern Shops v. Davis*, 116 F. 2d 903; *Saalfeld Publishing Co. v. Merriam*, 238 F. 1; *Trappey v. McIlhenny*, 281 F. 23.

**Registration under 1920 Trade Mark Act no excuse
for infringement.**

In the Lower Courts, the Respondent claimed that this rule did not apply to a trade-mark registered under the 1920 Trade Mark Act. In the Nu-Enamel Case, *supra*, the term which was granted protection and held to be infringed was a descriptive term which had been registered by the claimant under the 1920 Trade Mark Act; and in Sec. 717 Restatement of the Law of Torts, *supra*, the text states that "trade marks" and "trade names" may be infringed, and as pointed out in Note 6, p. 47, *supra*, the text uses the words "trade mark" to designate a technical trade-mark and the words "trade name" to designate a non-technical trade-mark.

10. The Trial Court erred when it found that the Respondent had done all that was necessary to distinguish its product from that of the Petitioner, and the Court of Appeals erred when it concluded that such findings were binding upon the Appellate Court.

Use of word "Kellogg's"

In Finding of Fact No. 55 (T. 168), the Trial Court found, "By using the trade mark 'Kellogg's' in bold red script, which is a prominent feature of the carton, and using the carton with a white background and printing thereon in red and green, Kellogg's the defendant used reasonable care to inform the public of the origin of the Kellogg product and used reasonable precautions to prevent confusion and to guard against the Kellogg product being passed off as that of plaintiff." The Court of Appeals, in passing on this question, said: "The record shows that the name 'Kellogg's' appears prominently before the name of the product upon the packages containing the Raisin Bran sold by the Kellogg Sales Company, * * * It would seem that any purchaser of 'Raisin Bran' who was at all interested in its origin should have no difficulty in identifying the Raisin Bran marketed by either of the Appellees and in distinguishing it from the product of the Appellant" (T. Vol. VII, pp. 10-11). These Findings and Conclusions of both the Trial Court and the Appellate Court are clearly predicated upon the assumption that the term "Raisin-BRAN" could not and had not acquired a secondary meaning, and that the Respondent was perfectly free to use the term, and its sole responsibility was to identify its own product so that a discerning purchaser might distinguish between the product of the Petitioner and that of the Respondent. This is the rule, of course, where the term has not been used in a trademark sense and where no secondary meaning has been

established; but, as has been pointed out above, the Petitioner's term "Raisin-BRAN" was capable of acquiring and did acquire a secondary meaning, and the Respondent had no right to use it. In such a case, placing the name "Kellogg's" in large red letters on the Respondent's package aggravates rather than excuses the infringement.

In most instances, it is not the name of the manufacturer that is important to the consumer, it is the product and the qualities of the product which he is particularly desirous of obtaining; and it is the trade-mark of such a product which to his ears or his eyes serves as the badge of identification. The evidence in this case shows that the Petitioner had properly used its mark "Raisin-BRAN" as such a badge of identification and had not used its own name for that purpose (F. 18, T. 151). It stands to reason that by taking that badge of identification, the Respondent intended to and did mislead many purchasers, when they selected Respondent's packages, to believe that they were securing the product that they had always purchased before under the Petitioner's trade-mark "Raisin-BRAN", and the word "Kellogg's", if they give attention to it at all, would either mislead such purchasers into the erroneous belief that the product which they have always identified and procured by the only mark they knew was made by Kellogg's all the time, or had been acquired by Kellogg's from the original producer, or that it was a mere descriptive term and did not mean what they had previously had good reason to believe it meant, —a single thing coming from a single source. Since the

Petitioner cannot label and advertise its product "Skinner's Raisin-BRAN" without destroying the secondary meaning which it has established over a period of seventeen years, the chance for continuing deception of the public and misappropriation of the good will inherent in the Petitioner's trade-mark is greatly increased by the use of the word "Kellogg's." With respect to those of the consuming public who should become aware of the fact that there were now two products on the market, the Respondent's use of the name "Kellogg's" was in itself unfair competition because its use in that manner was well calculated to lead such members of the consuming public to understand that "Raisin-BRAN" was no longer the plaintiff's trade-mark, but was merely a descriptive word, thus destroying the secondary meaning established by the Petitioner through years of intensive sales effort and large advertising expenditures. As was said by the Supreme Court of the United States, "That is an aggravation not a justification, for it is open trading in the name of another upon the reputation acquired by the device of the true proprietor." *Menendez v. Holt*, 128 U. S. 514. See also *Coca Cola Co. v. Stevenson*, 276 F. 1015; *R. Guastavino Co. v. Comerma*, 184 F. 549; *Little Tavern Shops v. Davis*, 116 F. 2d 906; *Saalfeld Publishing Co. v. Merriam*, 238 F. 1; *Trappey v. McIlhenny*, 281 F. 23.

Surely, where a merchant has a right to the exclusive use of his trade-mark, it is not equity nor sound justice to say that merely because the infringer is so large that everybody knows his name, he can appropriate the trade-mark or trade name belonging to another with

impunity if he places his own name upon the package carrying an infringing trade name or trade-mark. Such a course of conduct would promote monopoly, not prevent it.

Use of white packages with green lettering.

The conclusions of the two Lower Courts that Kellogg Company could not be charged with infringement because it marketed its product in a package which had a white background and dark green letters, except for the name "Kellogg's" which was in red script, is clearly erroneous if, as the Petitioner has pointed out above, the trade-mark "Raisin-BRAN" could and did acquire a secondary meaning prior to the time that the Respondent sought to appropriate it as part of the designation for Respondent's competing product. *N. K. Fairbanks v. Luckel, King & Cake Soap Co.*, 102 F. 327; *Fuller v. Huff*, 104 F. 141. Furthermore, large books of Exhibits introduced in evidence and sent forward on appeal as original Exhibits (See Ex. 616, 620), show that there are many companies which have packaged breakfast food products in packages with white background and with green and red lettering, and also show that the Kellogg packages were of varied designs and of different shades of green, and no witness has testified that when he or she sees a package of breakfast food with white background and dark green lettering, he or she instantly identifies such package as containing a Kellogg product. In fact, no secondary meaning was established for the coloring of the Kellogg package.

It is a matter of common knowledge that many persons identify, select and order a product by its trade name only, so that confusion will most likely result where the transaction is oral or where a child or member of a family not familiar with different brands is sent to the shop; and how about the housewife who knows nothing about the product but has heard from a friend or over the radio of the desirability of the same, the package or label means nothing, the trade name means everything. *N. K. Fairbanks v. Luckel, King & Cake Soap Co.*, supra; *Fuller v. Huff*, supra.

The books of cartons (Exs. 616, 620) also show that the various manufacturers change their labels from time to time, so a change in the color or particular setup of a package is not of a character which will challenge the public attention to the fact that here is a different product from that which the public has been accustomed to buying under a well-known trade-mark. In fact, several witnesses testified that when they first saw the Post or Kellogg packages they thought they were merely new packages for the old familiar product (T. 365, 388, 567, 620, 714-715, 721).

Use of figures 40%.

The use of the figures "40%" between the words "Raisin" and "Bran" in the designation used by the Respondent for its competing product did not constitute a sufficient distinction between Respondent's designation of its product and Petitioner's trade-mark to justify the conclusion that there was no infringement. The Respondent's label was prepared in such form as to simulate

Petitioner's in some notable particulars and to minimize the effect of the number "40%" (A. 9, 10). The Respondent's radio advertising emphasized that its product was "a raisin bran cereal" (F. 508-511, 512 A. to L. inc.; T. 316-317, 318), and the effect upon the trade which advertised and called Respondent's product "Raisin Bran" without using the figure "40%" (T. 678, 711, 722, 723, 1027, 1085, 1222, 1225-1226), was what might naturally be expected. "A man who means to deceive wants to get such resemblance as will enable his goods to be sold, and such differences as will provide him with cover when his practice is discovered." *Dunhill v. Bartlett & Bickley*, 39 R. P. C. 426, 433. The words "40%" were printed in less prominent type than the words "Raisin Bran" as said words appeared upon Petitioner's label (A. 9, 10). "An artifice, such as the use of small print to make inconspicuous the alleged distinguishing features, shows a purpose to effect unfair competition; it is the usual artifice of the unfair trader." *R. H. Macy Co. v. Colorado Clothing Mfg. Co.*, 68 F. 2d 690, 692.

"The average buyer is always seeking a sign, some special earmark of the brand he has in mind. It may be color—or a design—or a peculiar shape or name. Once his eye sees that sign or his ear hears it, he is satisfied. He is careless—yes, possibly, but if that is the way the average man buys that sort of goods, he may rightfully demand that the law protect him from deceit when he so purchases." *Nims, Unfair Competition and Trade Marks*, 3rd Ed., Sec. 328, p. 847. "But the two marks are practically idem sonans; they look alike; they are distinguishable by ordinary purchasers only by sharp and concentrated inspection. The testimony of the eyes is

conclusive that they are likely to cause confusion and mistake by the public, and to deceive purchasers to buy the product of the defendant in the belief that it is the product of the complainant." *Feil v. American Serum Co.* (8th C. C. A.), 16 F. 2d 88, 90. "A vast field of words, phrases and symbols is open to one who wishes to select a trade-mark to distinguish his product from that of the other. Unquestionably in our ever increasing complex business life, the trend of modern judicial decisions in trade-mark matters is to show little patience with the newcomer who in adopting a mark gets into a borderline zone between an open field and one legally appropriated to another. As between a newcomer and one who by honest dealing has won favor with the public, doubts are always resolved against the former." *Skelly Oil Co., v. Powerine Co.*, (U. S. Customs Court), 86 F. 2d 752.

The Circuit Court of Appeals, however, dismisses this question by saying that "Under the evidence, the question whether the Appellees had furnished adequate means to identify their products and to distinguish them from Appellant's product * * * was, we think, a question of fact for the Trial Court to determine" (T., Vol. VII, p. 10).

In view of the fact that the Findings of the Trial Court with respect to the question which is the point here at issue were predicated upon erroneous Conclusions of Law, it is submitted that such Findings were not binding upon the Appellate Court.

11. The Trial Court erred in its finding that the proof did not show confusion and palming off of Respondent's product for the product of the Petitioner;

and the Eighth Circuit Court of Appeals erred in concluding that these findings of the Trial Court were binding upon the Appellate Court.

The competing products of the Petitioner and the Respondent retail at around ten cents a package and are for sale in service and self-service grocery stores (T. 1084, 1085, 1096, 678, 1132, 1225). It is a matter of common knowledge that in self-service stores the customer picks up a basket or pushes a basket on wheels, and goes about the shop picking up from shelves and counters the various grocery items which she desires. Often a child or a servant girl is sent to market. These facts were brought out in the testimony of the various consumer witnesses (A. 3a). Since dry prepared breakfast food is a low-priced article and frequently purchased, the average customer will give but little thought to making her purchase. It is not like buying an expensive automobile. In service stores, orders are filled hurriedly by the grocery clerks.

Confusion.

In spite of the difficulty of locating witnesses who know personally of confusion, in this case during the course of taking depositions, 11 instances were disclosed which showed that actual confusion had taken place. In one case it appeared that the man of the house went to the store for "Raisin-BRAN." The family had been accustomed to buying Petitioner's product. The husband secured the product of the Respondent without knowing the difference (T. 755). In another case, the man of the house while shopping picked up the Respondent's product because he saw the words "Raisin Bran" on it and saw a bowl with the product in it on the label, and he brought

the package home thinking he had obtained the Petitioner's product, which he had been accustomed to purchasing. He did not know the difference until his wife called the matter to his attention (T. 718). In another case, children sent to the store for Petitioner's product brought home the Respondent's product (T. 1162). In another case, a housewife who was not particularly familiar with the product, but wanted Petitioner's product, purchased Respondent's and would not have known the difference but for another woman who was more familiar with the product who called it to her attention (T. 766). In another case, a housewife who thought she had purchased the Petitioner's product went to the kitchen to look and found she had purchased the Respondent's product (T. 694). In another case a Methodist minister's wife who thought she had purchased the Kellogg product found that the product she had on hand was the Petitioner's, and this even though she had testified she had never seen the Petitioner's product before, although on cross-examination she stated that she had been using "Raisin-Bran" for eight years (T. 730-733). In another case, a housewife testified that she first picked up the Kellogg product at a store, thinking it was the Respondent's (T. 693). Another housewife testified to the same confusion (T. 714). A housewife who was not very familiar with the Petitioner's product but wanted to purchase it, got the Respondent's product by mistake (T. 681). In the testimony of one housewife it became very clear that she was confused between the Kellogg and the Petitioner's products even while she was testifying (T. 697). Two retail grocers testified that there had been confusion among their customers with respect to Petitioner's and Respondent's products (T. 686, 703, also see T. 761, 1049).

The Trial Court dismissed this positive evidence of confusion with the statement, "To be sure some instances are shown of customers at self-service retail stores who, during the early days of competition, inadvertently selected a competing product when they desired to secure the plaintiff's with which alone they had heretofore been acquainted. But within the rules of law above suggested, that is not the test of unfair competition or even of customer confusion" (52 F. S. 451). The "rules of law" referred to by the Court were the Trial Court's erroneous conclusions (1) that the term "Raisin-BRAN" could not acquire a secondary meaning, (2) that the Petitioner had wholly failed to prove that the term "Raisin-BRAN" had acquired a secondary meaning, (3) that the Respondent had the right to use the term "Raisin-BRAN" in spite of its long exclusive use by the Petitioner as a trade-mark, and (4) that the Respondent was "not obliged to so guard his competitive methods that even a negligent or inattentive purchaser will be protected from confusion" (52 F. S. 450), and "there is no probability of any ordinary cautious member of the public, using reasonable care and attention in purchasing, being deceived" (F. 59, T. 169).

Thus we see that the Trial Court shut its eyes to positive, credible evidence of confusion on the ground that the confusion was due to the use of the term "Raisin Bran" and the Respondent could not be held responsible for such confusion, and those confused were either "negligent or inattentive" purchasers, and it is only confusion of "a cautious member of the public, using reasonable care and attention in purchasing" which counts.

As to the character of the witnesses who were shown positively to have been confused, the Court does not doubt their credibility, but insists that they were "negligent and careless." The evidence does not justify holding that any of the witnesses who were confused could be described as negligent (T. 681, 696, 693, 694, 697, 703, 714, 718, 730-733, 755, 766, 1162). It does not appear that their conduct was any different from that of the average purchaser of such product. The law does not hold that it is only confusion on the part of a "cautious" purchaser "using care and attention in purchasing" which is of consequence. An infringer of a well-known trade-mark is chargeable with the confusion or deception of a casual purchaser, who may even be thoughtless, unwary, ignorant, unthinking or even careless, such as a child or one who makes his purchase in a rush, and his selection with a mere glance of the eye.¹⁰

10 The following cases illustrate the type of confusion for which an infringer is considered responsible: "Ordinarily the prospective purchaser * * * acts quickly. He is governed by a general glance. The law does not require more of him." *Coca-Cola Co. v. Chero Cola Co.*, 273 F. 755; "The law does not require nice distinction or discrimination from the ordinary purchaser." *R. B. Davis Co. v. Sher*, 125 N. J. 316, 5 A. (2d) 49, 51; "The usual purchaser * * * merely looks, perhaps hastily," *Ward Baking Co. v. Potter-Wrightington Co.*, 298 F. 398, 401; He may be "careless as to details," *Little v. Kellam*, 100 F. 353; Or "unsuspecting," *Celluloid Mfg. Co. v. Cellonite Mfg. Co.*, 32 F. 94, 97; Or "unthinking, who does not stop to analyze," *Florence Mfg. Co. v. J. C. Dord Co.*, 178 F. 73, 75; Or he "may rely on his first impression," *In re Inderrieden Canning Co.*, 277 F. 613, 614; He may be the ordinary retail purchaser * * * "not usually of a high degree of intelligence * * *," *N. K. Fairbanks Co. v. R. W. Bell Mfg. Co.*, 77 F. 869, 876; He need not be "the careful and discriminating purchaser," *Auto Acetylene Light Co. v. Presto-O-Light*, 264 F. 810, 812; He is "not bound to study or reflect," *Pillsbury v. Pillsbury Washburn Mills Co.*, 64 F. 841, 847.

The infringer may be held responsible for confusion of "the servant girl or a child sent to the grocery store * * *," *Ohio Baking Co. v. National Biscuit Co.*, 127 F. 116, 120; "The purchaser with not very definite or clear recollection," *Northam Warren Corp. v. Cosmetic Co.*, 18 F. 2d 774 (cited with approval in *F. W. Fitch v. Camille, Inc.*, 8th C. C. A., 106 F. 2d 635); Or one who "picks up a package from
(Cont. on p. 99)

To refute the Petitioner's positive credible evidence of confusion, the Respondent elicited from a number of grocer witnesses the statements that they did not know of any confusion occurring in their stores (A. 13). This evidence was purely negative testimony and of no weight against the positive credible testimony which was adduced. *De Griselles v. Gans*, 116 Neb. 835, 219 N. W. 235, 239; *Bergman v. Northern Pacific R. R. Co.*, 8th C. C. A., 14 F. 2d 580, 582; *Window Glass Machine Co. v. Pittsburg Plate Glass Co.*, 46 F. 2d 484, 494.

The Respondent in the Lower Court argued that because only eleven cases of confusion were shown, there was in fact no confusion. This is not sound law. Many persons who were confused would never realize that fact and, of course, would not be available for testimony; others who were confused would not be known to the Petitioner, particularly where the Petitioner was called upon to obtain evidence from a purchasing public which ran into the hundreds of thousands and which was scattered over the entire United States. Recognizing this difficulty and knowing the impracticability of producing a multiplicity of witnesses, the Courts hold that "actual deception having been shown establishes the likelihood of deception." *E. W. Fitch Co. v. Camille, Inc.*, 8th C. C. A., 106 F. 2d 635, 640; see also *Gebron, Inc. v. Gebron Cleaners*, 45 F. S. 150, 155.

(Note 10 continued)

* * * the counter while purchasing a newspaper (or other groceries) on the way to or from his train," *J. N. Collins Co. v. Paist*, 14 F. 2d 614, 615; Or one who "acts upon the moment," *Pillsbury v. Pillsbury Washburn Mills Co.*, supra; And the wrongful infringer is rightly chargeable with acts of retailers who are enabled to palm off the infringer's product because of the use of his rival's trade name, *Saxlehner v. Seigel-Cooper Co.*, 179 U. S. 42, 45 L. Ed. 77; *Coca-Cola Co. v. Gay-Ola Co.*, 200 F. 720; *E. W. Fitch Co. v. Camille, Inc.*, 8th C. C. A., 106 F. 2d 635; *Reid Murdoch & Co. v. H. P. Coffee Co.*, 8th C. C. A., 48 F. 2d 817.

Palming Off

The Trial Court's finding that there was no palming off of Respondent's product for the product of the Petitioner (F. 62, T. 170) is likewise predicated upon erroneous conclusions of law. It is submitted by the Petitioner that the following positive evidence does not support the Trial Court's finding that "Said product has not been passed off as that of plaintiff" (F. 62, T. 170):— Some retail grocers generally advertised the Respondent's product as "Raisin Bran" without using the "40%" or the word "Kellogg's" (E. 333, T. 723; see also T. 678, 711, 1027, 2085, 1222, 1225-1226), and in other instances where they used the word "Kellogg's", the "40%" was omitted and the word "Kellogg's" was in such small print as to be insignificant as compared with the words "Raisin Bran" (T. 678, 711, 722, 723, 1027, 1085). After the Kellogg product came upon the market, a number of grocers who had previously been handling the Petitioner's product and whose customers had been calling for it by its trademark "Raisin-BRAN", delivered the Kellogg product to their customers on such orders (T. 698, 756-757, 1126, 1189, 1203, 1208). Such grocers delivered whatever was the most handy, or whatever they had the most profit in, or whatever was the slowest to move; otherwise, whatever it was to the advantage of the retailer to deliver (T. 380, 426, 444, 501, 505, 526, 536, 540, 635, 653, 738-739, 773, 835, 839, 877). There were 21 retail grocer witnesses out of the 54 who do a service business who testified that they deliver whatever package is handy, Post's, Kellogg's or Petitioner's, on orders for just "Raisin-BRAN," although the evidence shows that such grocers knew their customers had been accustomed to receiving the Petitioner's product

when placing such orders (T. 380, 426, 444, 501, 505, 526, 536, 540, 635, 653, 698, 738-739, 756-757, 773, 835, 839, 877, 1126, 1189, 1203, 1208), and a number of these witnesses admitted that they knew it was Petitioner's product the customer desired. For approximately 40% of the retail grocer witnesses who did a personal service business and had handled Petitioner's product to make such admissions is certainly strong, credible evidence that Respondent's acts of infringement resulted in a substantial palming off of Respondent's product upon orders where the customers apparently desired the Petitioner's product. That this palming off was damaging to the Petitioner is certain (T. 602, 606, 642, 670-671, 672, 747, 839, 877, 1051).

The Trial Court in its Opinion comments on this testimony as follows: "For some period following the advent of the Kellogg and Post products, customers ordering 'Raisin Bran' without other particularization in service grocery stores, and expecting to receive the plaintiff's product * * * were frequently served with one or the other of the competing cereals. Grocers explained these incidents variously, some saying that they delivered 'whichever Raisin Bran was handy,' or 'whichever Raisin Bran was in stock,' and a few, more frank perhaps than the others, 'whichever one was the most profitable one to the seller' " (52 F. S. 451); but the Court excuses this by saying, "In * * * the retail trade the practice developed quickly of inquiring of the purchaser which brand was desired and making delivery accordingly if the preferred item was available" (52 F. S. 432). This last sentence is contrary to the weight of the evidence which showed that 28 of the 54 retail grocer witnesses who did a service business testified that when their customers want the

product they still ask for "Raisin Bran" without designating the name of the producer (T. 371, 380, 406, 410, 430, 435, 437, 444, 493, 499, 501, 526, 528, 536, 540, 567-568, 574, 634, 670, 698, 737, 740-744, 772-773, 774, 835, 839, 1050, 1188, 1193, 1203); and as pointed out above, 21 of these witnesses testified that they still frequently deliver whichever product is most handy, or whatever they have the most profit in, or whichever is the slower moving, on orders for just "Raisin Bran," without asking the customer whose product she desires.

In the face of the use and simulation of Petitioner's trade-mark (E. 203, 295-A, 295-B, T. 1293, 1295, 1297) and the statements in Respondent's radio script that its product is "a raisin bran cereal" (T. 316-317, 318), the Trial Court found that the passing off of Respondent's product for that of the Petitioner was "attributable to * * * careless merchandising practices by local grocers rather than to any purpose of material consequence * * * arising out of any conduct of the defendant" (F. 60, T. 169-170). Such a conclusion was disposed of in the case of *F. W. Fitch Co. v. Camille, Inc.*, 106 F. (2d) 635, as follows:

"But it is urged that no wrongful act of the defendant caused a single instance of substitution or confusion. A similar argument was presented in *Wolf Bros. & Co. v. Hamilton Brown Shoe Co.*, 8th Cir., 206 F. 611, 617. In disposing of this contention, this Court said: 'If a manufacturer or wholesale dealer willfully puts up goods in such a way that the ultimate purchaser will be deceived into buying the goods of another, it is no defense that he does not deceive and has no intention of deceiving the retailer to whom he himself sells the goods. The question is

whether the defendants have or have not knowingly put into the hands of the retail dealers means of deceiving the ultimate purchaser.' See also *Reid Murdoch Co. v. H. P. Coffee Co.*, 8th Cir., 48 F. 2d 817; *New England Awl and Needle Co. v. Marlboro Awl & Needle Co.*, 168 Mass. 154, 46 N. E. 386." (Note: The opinion in the *New England Awl* case was written by Justice Holmes, later of the United States Supreme Court.)

It is clear from the foregoing that the Trial Court's findings that there was no confusion and no palming off were predicated upon its erroneous conclusions of law that it was impossible for "Raisin-BRAN" to acquire a secondary meaning, and its finding that no secondary meaning had been established, and it is submitted that the Eighth Circuit Court of Appeals erred when it held that such findings were binding upon the Appellate Court (T., Vol. VII, pp. 8-9).

12. The Trial Court erred when it found that there was no likelihood of confusion and palming off of Respondent's goods for those of the Petitioner; and the Eighth Circuit Court of Appeals erred when it concluded that such findings were binding upon the Appellate Court.

As pointed out above, there was positive proof of confusion and of palming off of Respondent's product for that of the Petitioner. This in itself is the most persuasive evidence one could find of the likelihood of confusion and palming off. "The evidence in this case, however, showed and the Court found the fact to be, that purchasers had been actually deceived. Actual deception having been shown establishes the probability or likelihood of deception." *F. W. Fitch Co. v. Camille, Inc.*, 8th

C. C. A., 106 F. 2d 635, 640. See also *Gebron, Inc. v. Gebron Cleaners*, 45 F. S. 150, 155.

Where the evidence shows that it was apparently the effort of the newcomer in a competitive field to create points of similarity between the newcomer's designation and label and that of the owner of an established trade-mark, rather than to create outstanding points of difference, the Courts assume as a matter of law that confusion and palming off will naturally result from such behavior, and that such was the newcomer's intention. *Guggenheim v. Cantrell & Cochrane*, C. C. A., D. C., 10 F. 2d 895, 896; *Helmet Co. v. Wm. Wrigley, Jr., Co.*, 245 F. 824-830; *Coca Cola Co. v. Cleo Syrup Corp.*, 48 F. S. 565, 8th C. C. A., 139 F. 2d 416.

Evidence of Respondent's intention to deceive.

The following evidence obtained from witnesses who were employees or officers of the Respondent shows that the Respondent deliberately sought points of similarity with Petitioner's trade-mark and label, rather than points of difference: In December 1941, when the Respondent's officers first began to seriously consider putting on the market a product to compete with Petitioner's breakfast food, the Respondent considered mixing raisins with its product called "Pep." Finally the Respondent decided its product should be composed of raisins mixed with its "40% Bran Flakes" (T. 945). At that time the Vice President and Plant Manager of the company, who participated in making this decision, knew that the Petitioner was marketing its product under its trade-mark "Raisin-BRAN" and knew that it had a fairly large volume of business and a wide distribution (T. 946). The next

name suggested was "Kellogg's 40% Bran Flakes with Raisins" (T. 340), *the Petitioner would have had no complaint if such a designation had been selected for Respondent's package.*

During the time that the question of name and design of label was under consideration, various sketches with suggested names and design were prepared (T. 340-347). At the time these sketches were prepared, the Advertising Manager, who had charge of the matter, had in his office a copy of Petitioner's package, "but I made no reference to it in connection with the drawing, but I did look at it before I made the drawings" (T. 340).

Examining these drawings, we find the development of the label which was finally adopted by the Respondent to have been a case of progressive approach to similarity with the Petitioner's trade-mark and label. Note particularly Exhibit 209 (Notes 9, 10, Appendix; T. 341) drawn while the name for the new product was still under consideration. After it was determined to designate the product "Raisin 40% Bran Flakes," the following sketches were prepared: Exhibit 208 found in Note 10 of Appendix (T. 345), Exhibit 293, found in Note 10 of Appendix (T. 347), was also prepared. The Court's attention is called particularly to this Exhibit 293 (A., Note 10), for on this Exhibit there appeared, written in pencil, an arrow with the word "smaller" above it, and the arrow pointed to the figure "40%". In Exhibit 208 (A. Note 10) and Exhibit 293 (A., Note 10), the figures "40%" were in the same size of type and the same thickness of the word "Bran", but following the drawing of Exhibit 293 on which appeared in pencil the word "smaller" with an arrow pointing to the "40%", the

"40%" was made of narrower and less conspicuous type than the words "Raisin" and "Bran", and at the same time the "R" in the word "Raisin" was enlarged so as to extend down into the line where "Bran" appeared. This is shown in Exhibit 204 found in Note 10 of the Appendix (T. 1297), and in this respect the "R" of the word "Raisin" and the general counterposition of the words "Raisin" and "Bran" were made substantially identical to the "R" and the counterposition of the words "Raisin" and "Bran" as they appeared in the Petitioner's trade-mark and upon Petitioner's label (See Ex. 295-B, T. 1297; also Ex. 9, A. 10).

This design for "Raisin 40% Bran Flakes" (see Ex. 203, T. 1293), at a distance and at a glance, is confusingly similar to the Petitioner's trade-mark "Raisin-BRAN." The words "Raisin" and "Bran" on Respondent's label are the portions which meet the eye; whereas, the words "Kellogg's" and "Flakes" are relegated to less important positions.

During the time that the design of the label was being developed, Exhibit 208 found in Note 10 of the Appendix (T. 347), was prepared. This design contained no picture of a bowl with the product in it and did not contain the words "Cereal and Fruit"; in fact, this design, Exhibit 208, was substantially the same as the "Kellogg's 40% Bran Flakes" label with the exception that the word "Raisin" was added above the words "40% Bran Flakes" (T. 341-344). Later, however, in Exhibit 209 (T. 343), a bowl containing the product was placed on the label in the same location as the bowl appeared on Petitioner's product, but this bowl was not of the same size and general appearance as Petitioner's,

as appears from a facsimile thereof found in Note 10 of the Appendix. Shortly thereafter, a larger bowl containing the product was drawn (Ex. 205, T. 345), and it was superimposed upon the face of the package in the same location as the bowl appearing in the Petitioner's package and in a corresponding size (Ex. 210, T. 345). A facsimile of this bowl and the bottom of the label as shown in Exhibit 210 (T. 345) is found in Note 10 of the Appendix. This bowl was of value in identifying Petitioner's product (T. 421, 658, 683, 719, 767, 849, 874, 882).

The words "Cereal with Fruit" did not appear on Exhibit 210. The words "Cereal with Fruit" were the last thing placed upon the label (T. 346), and when it was placed on the label, it was placed in the same relative position as the Petitioner's slogan "Cereal and Fruit" then appeared upon the Petitioner's label (See Ex. 203, T. 1293; Ex. 295-A, T. 1295). This slogan was of distinct value to the Petitioner (T. 395, 409, 595, 609, 617).

"Kellogg's 40% Bran Flakes," which formed the cereal portion of the Respondent's product (T. 321), have always been merchandised in packages with a yellow background and black letters (see Original Exhibits 616 Y, Z, AA, BB, CC, DD, EE, in large Book of Exhibits 616). The Respondent, however, did not package its new product, which consisted merely of its old product with raisins mixed with it, in a yellow package, but prepared a package with a white background and with the designation of the product in dark green lettering, and although the colors were not the same as the Petitioner's, they simulated Petitioner's label more than if the product had been packaged in the old familiar red and yellow package in which "Kellogg's 40% Bran Flakes" had been

packaged for so many years (See Notes 9 and 10 of Appendix; also Exs. 203, 295-A, 295-B, T. 1293, 1295, 1297). By stating in its advertising script that its product was "a raisin bran cereal" (Exs. 512-A, C, D, E, F, T. 317-318), the Respondent in its radio advertising, deliberately minimized the effect of the numbers "40%", which it later claimed as a point of distinction.

With the foregoing uncontradicted evidence in the record, the Trial Court concluded, "It is acknowledged, and found to be a fact, that the defendant entered the field deliberately, and after careful study of existing marketing conditions, * * *. It advertised extensively by radio and otherwise recommended its product as Kellogg's Raisin 40% Bran Flakes, though in the publicity touching the product frequently characterized its product as 'a raisin bran cereal' " (52 F. S. 450).

Erroneous conclusions of Trial Court.

The trial court further said: "That the defendants may profit, that they even formally desired and planned to profit, from the advertising of the plaintiff's product through many years, especially in the south, seems probable. But that is held not to be objectionable" (52 F. S. 452). "Certainly there is an utter failure to establish any design or intention on the part of the defendant to that end" (confusion and palming off) (52 F. S. 451).

Predicated upon the foregoing conclusions and the conclusions that "Raisin-BRAN" could not acquire a secondary meaning and was open to use by the Respondent, the Court then found, "There is no probability

of any ordinary cautious member of the public, using reasonable care and attention in purchasing, being deceived into believing that in purchasing the Kellogg carton containing said product, he was purchasing the product marketed by the plaintiff because of any similarities between the cartons used by plaintiff and by Kellogg in packaging their respective products. * * * This specific finding is premised partly upon the Court's own factual conclusion, based upon frequent, long, and careful examination of specimens of the actual packages, and partly upon the testimony of people incident to the marketing of the three similar products (F. 59, T. 169).

The Court's "long and careful examination" of the cartons was not the right way to determine whether or not there is likelihood of confusion. To determine whether or not a customer is likely to be confused, the Court must view the packages under the usual conditions prevailing in the trade which would confront the casual, unthinking, unintelligent and unwary purchaser; *Queen Mfg. Co. v. Isaac Ginsburg & Bros.*, 8th C. C. A., 258 F. 2d 284, 287; *F. W. Fitch Co. v. Camille, Inc.*, 8th C. C. A., 106 F. 2d 635; and the packages should not be placed side by side to see if differences can be observed. *Reid Murdoch & Co. v. H. J. Coffee Co.*, 8th C. C. A., 48 F. 2d 817. The Court should look to see if there are points of similarity in important features of the label which are likely to confuse the unwary purchaser. *Pecher Lozenge Co. v. National Candy Co.*, 122 F. 2d 318, 320.

The "testimony of people incident to the marketing of the three similar products" to which the Court refers in its Finding 59 supra, was evidence of various witnesses who, when presented with the packages one after

another or side by side, testified that they would not be confused (A. 12). This is not competent evidence to ascertain whether or not there is likelihood of confusion and palming off. *Reid Murdoch & Co. v. H. J. Coffee Co.*, supra.

The Trial Court concluded its discussion of its finding that there was no likelihood of confusion and palming off by saying that this likelihood is now remote because the General Food and Kellogg products bearing the infringing designations "were respectively introduced by accompanying intensive advertising campaigns, with the consequence that knowledge of their existence was spread quickly among wholesale and retail grocers and the public * * * in the localities where General Foods' * * * and Kellogg's products were introduced * * * and ultimate consumers * * * came quite early to understand the competition * * * and to designate the brand which they preferred" (52 F. S. 451). This is but another way of saying that if an infringer is powerful enough to put on a sudden smashing drive of advertising and sales promotion which will quickly destroy a long established and valuable secondary meaning of a competitor's trade-mark, and change the public understanding with respect thereto by devastating radio and newspaper campaigns, the situation presents no such likelihood of confusion and palming off as to justify the charge of infringement.

The rights of parties in cases such as this must be measured as of the time just preceding the advent of the infringing practices. Unless the injured party acquiesced in the infringement or slept upon his rights, he cannot be deprived of them by a blitz of the wrongdoer.

It is submitted that the Trial Court clearly erred when it found that there was no likelihood of confusion and palming off of Respondent's goods for those of the Petitioner by reason of Respondent's acts of appropriation of Petitioner's trade-mark and simulation of its label, and it is further submitted that the Eighth Circuit Court of Appeals erred when it concluded that it was bound by such finding (T. V., VII, p. 10).

13. The Trial Court erred when it concluded that the equities in this case are in favor of the Respondent and against the Petitioner; and the Eighth Circuit Court of Appeals erred when it affirmed such an opinion.

The Trial Court found that the Petitioner came into Court with clean hands (F. 50, T. 166) and there is absolutely no evidence that the Petitioner at any time, in any way, unlawfully harmed or damaged the Kellogg Company or General Foods.

The Petitioner,—a small manufacturer (Ex. 12, T. 296) compared to Kellogg and General Foods (Ex. 120, 120A, 121, T. 313, 314),—had for seventeen years conducted its business in a proper manner, and by industry and the expenditure of over \$600,000.00 (T. 296), which was no mean sum to it, had built up a business which in 1942 grossed \$1,500,000.00 and showed net earnings of over \$46,111.98 (T. 806-807, 810). This business was built about and upon Petitioner's trade-mark "Raisin-BRAN", which mark Petitioner had advertised and treated through the entire course of its use, as the trade-mark and brand name for its product (T. 806-817).

At the time the Petitioner created the term "Raisin-BRAN" standing alone and applied it to its break-

fast food product, the term had no particular meaning (pp. 34 to 36 supra). After seventeen years' exclusive use by the Petitioner, users of the product scattered throughout the United States had come to learn that the Petitioner's trade-mark "Raisin-BRAN" stood for the Petitioner's particular product (pp. 70 to 71 supra), and thousands of consumers knew the source of origin of the product (F. 25, T. 141), and although many others did not know and did not care from what source the product originated, they well knew and understood that the trade-mark "Raisin-BRAN" meant the particular product which they had been accustomed to purchasing and which they desired (pp. 70-71 supra).

In April 1942, the Kellogg and General Food Companies deliberately, after study of Petitioner's business and marketing methods and with full knowledge thereof (F. 31, T. 157), invaded Petitioner's best territories, appropriated Petitioner's Trade-Mark "Raisin-BRAN" (52 F. S. p. 437), and the Respondent, although calling its product "Raisin 40% Bran Flakes", packaged it so as to minimize the "40%" and to emphasize the words "Raisin" and "Bran", and also simulated the Petitioner's registered design of its mark "Raisin-BRAN". The Respondent also advertised over the radio that its product was "a raisin bran cereal" and on its package and in its radio advertising deliberately appropriated Petitioner's trade slogan "Cereal and Fruit" (pp. 104 to 107 supra).

Petitioner submits that under these circumstances, it was error for the Trial Court to say that "the equities are with the defendant and against the plaintiff" (52 F. S. 452). Surely the mere size of the Respondent and

its overwhelming predominance in the breakfast food field (T. 273), does not justify such a statement. Certainly the mere fact that the trade name "Kellogg" is well known to the public, or the fact that the Kellogg Company packages many of its products in cartons which have a white background and green lettering, does not justify holding that Kellogg Company may appropriate any competitor's well-established trade-mark simply by placing the name "Kellogg's" upon the package and by packaging the product in a white package with green lettering.

There is no reason for any such rule. The Kellogg Company, Respondent in this case, and the General Foods Company, Respondent in a sister case, stood by for 17 years and watched the Petitioner plow and seed and harrow the field. No patent monopoly barred them from entering the same field, nothing but their doubt as to the success of the venture held them back. Now, when the crop is ready for the harvest because of the foresight, the industry and the expenditure of hundreds of thousands of dollars by a small competitor, it is submitted it is not equitable for the two largest purveyors of breakfast foods in the United States to step in and, by infringing Petitioner's trade-mark, reap the harvest.

14. The Trial Court erred when it failed to grant the Petitioner the relief prayed for; and the Eighth Circuit Court of Appeals erred when it affirmed the decision and opinion of the Trial Court.

In the foregoing portions of this Brief, it has been pointed out that the Respondent has wrongfully in-

fringed the Petitioner's trade-mark, "Raisin-BRAN" which had acquired a secondary meaning and which had not become a free word at the time of the commencement of such infringement. The evidence also shows that the Petitioner never intentionally abandoned its claim to the exclusive use of the term "Raisin-BRAN" as a trade-mark for Petitioner's breakfast food (T. 220). The evidence also shows that the Respondent will continue to infringe the Petitioner's trade-mark unless enjoined and restrained from doing so (Par. 15, Complaint, T. 7; Par. 15, Answer, T. 23).

Granting the Petitioner the relief which it seeks will not deprive the Respondent of the ability to select an appropriate name for its product (T. 340-347, 52 F. S. 451), nor to design an attractive label which will in no wise infringe upon Petitioner's mark and label. As was said in the case of *British-American T. Co. v. British-American C. S. Co.*, 211 F. 933, 935, "to change the defendant's name can injure no one. To retain it may mislead the public, confuse the trade and seriously injure complainant's business. When such an alternative presents itself the duty of a court of equity is plain, viz., to stop the unfair proceedings in limine. * * * If the defendant intends to deal fairly, it can do no harm to change its name. If it intends to use the name unfairly, it should be compelled to change it."

In the Lower Court the Respondent insisted that the purpose of the Petitioner's suit was "protection for its *business* in the product, not for its *own good will*," and in support of such statement cited the following: "Sharing in the good will of an article unprotected by patent or trade-mark is the exercise of a right possessed

by all—in the free exercise of which the consuming public is deeply interested.” *Kellogg Company v. National Biscuit Co.*, 311 U. S. 111, 122. The Trial Court quoted the foregoing extract from the “Shredded Wheat” Case with approval and said, “The distinction seems to lie between sharing in the good will of a product, which is lawful, and appropriating the good will of a producer, which is not to be tolerated” (52 F. S. 452). Of course, if the Trial Court’s conclusion that the Respondent had the right to use the Petitioner’s mark “Raisin-BRAN” were correct, the Trial Court’s conclusion on the above contention of the Respondent would have been correct; but since the Trial Court’s conclusion as to the right of the Respondent to use Petitioner’s trade-mark “Raisin-BRAN” is in error, so also is the Trial Court’s conclusion that the purpose of this proceeding was to protect the good will inherent in the product rather than the good will inherent in the trade-mark.

Under the facts and law in this case, the Petitioner is entitled to a permanent injunction as prayed. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315; *N. K. Fairbanks Co. v. Luckel, King & Cake Soap Co.*, 102 F. 327, 331; *Fuller v. Huff*, 104 F. 141; *Beneficial Industrial Loan Corp. v. Kline*, 8th C. C. A. 132 F. 2d 520.

CONCLUSION

Counsel for the Petitioner submit that when this Court checks the references to the record, particularly those found in Appendix Note 3 (c), (d), (e), (g), (h),

(i), and Appendix Note 4 (e), (f), (g), (h), (i), and Appendix Note 5 (e), and found under part II of the Argument (pp. 94 to 103, *supra*), it will appear that, in view of the erroneous Conclusions of Law upon which the Trial Court predicated its Findings of Fact and decision, as pointed out in the Argument, *supra*, the Eighth Circuit Court of Appeals erred when it failed to review the evidence and the Trial Court's Findings of Fact.

Petitioner's Counsel realize that the trial and review of this case has imposed a substantial burden upon the Court. The magnitude of this task, however, was not due to any action of the Petitioner. The Petitioner was the defenseless victim of a ruthless infringement, and when the Petitioner sought to bring the infringer to time, every conceivable defense of fact and of law was brought to bear, and Petitioner was compelled to meet these issues regardless of the resulting size of record and brief.

To alleviate the matter, Counsel for the Petitioner have made careful research of the authorities and have done all in their power to shorten this Brief and lighten the work of the Court, and at the same time meet all important issues fairly. In the preparation of the Record, Petitioner's Counsel were most careful to be as complete and accurate and fair to the Court and to the Respondent, as possible, and were rewarded by the fact that the Respondent found it necessary to make no corrections and to suggest but few additions to the Record. Counsel for the Petitioner have been equally careful to be accurate and fair in their statements of fact and ref-

erence to the Record as such matters appear in this Brief; and in the discussion of cases and extracts taken from them, have been meticulous in their endeavor not to cite or quote in any manner calculated to mislead; and Counsel for the Petitioner hope and trust that such efforts will lighten the work of this Court in the review of this case.

Counsel for the Petitioner sincerely believe that a great injustice to the Petitioner, and to the purchasing public, will result in an affirmance of the decision of the Lower Court in this case, and that the matter is of National importance, not only because of the wide-spread use of Petitioner's product, but also because a clarification of the numerous issues raised is desirable in order to insure integrity and security in commercial transactions which will be affected by the final decision.

Respectfully submitted,

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